

LITTLE YELLOW GENTLEMEN

By

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With 4 Half-tone Illustrations and 3 Maps



CASSELL

AND COMPANY, LIMITED
LONDON, TORONTO, MELBOURNE
AND SYDNEY

First Edition *October* 1937
Second „ *November* 1937

**Printed in Great Britain by
Greycaine Limited, Watford, Herts
F1037**

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AUTHOR'S NOTE

WHEN hostilities broke out in North China at the beginning of July, 1937, I already had a background of general events and tendencies in China, especially of modern political and economic developments. I had also read the writings and lectures of Sun Yat-sen and a number of historical and political works. But none of them gave any indication of the struggle that was going on, in a kind of underworld, between the Japanese and the Chinese. Nothing was said in these books about the system of spying, smuggling and sabotage which had become an almost normal course of events in that harassed country.

I was fortunate in having been able to obtain information of the facts I have written about in this book from the most reliable sources. I had made friends in unexpected places, and I found that my fondness for talking to taxi-drivers, waiters, street and bar loungers, sailors and others, to the dismay of my hosts and my friends, led me to sources of information to which what is considered more prudent conduct would not have led me. It might seem strange to say that on two successive nights I watched Japanese agents tearing up secret documents and throwing the pieces into the Whangpoo.

I took all the information I had collected, and arranged or classified it into more or less logical compartments. From the mass of material thus arranged I worked out a number of theories, and these theories

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again were tabulated into headings in the form of propositions, which read as follows: Japan's actions in regard to China are guided by certain definite and discernible principles or policies.

There is a policy of provocation.

There is a policy of demoralization.

There is a policy of open invasion.

There is a policy of invasion by stealth.

There is a policy of setting up dummy administrations.

There is a policy of deliberately creating incidents.

There is a policy of smuggling.

I then tabulated the methods used under the following headings:

Spies, agents, traitors, *agents provocateurs*, plain-clothes men.

Opium, heroin and other habit-forming drugs traffic.

Counterfeiting, smuggling of goods.

I then sought out centres of operations and a directing organization. I found these hard to prove, but I think I have gone a long way towards proving that the centres of operation are Japanese Concessions and Consulates, and towards a fairly safe inference that the agency behind it all is the Japanese Special Secret Service.

Having formed my conclusions and tabulated my information, I realized that in giving these to the public in book form, there was only my own word that I could ask them to rely upon. I therefore collected all the old and current Shanghai newspapers I could find, and made cuttings of every news report that bore

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upon the information I already had. When this had been completed, I found that the larger part of my information was covered by these newspaper reports, and the latter now assumed a new significance. I was thus able to discard all my own information if I wished to do so. In writing this book, I was careful, except in a few instances indicated in the text, and in the last chapter of the book, "Mr. Obaka's Autobiography," not to state any fact that could not be corroborated by newspaper reports. Nor did I use the reports of every newspaper indiscriminately. For instance, I have not used the reports of the *China Press*, because that very excellent paper is pro-Chinese, and it might be urged that its reports are prejudiced. Nor did I use the news items which appeared in the *China Critic*, for I believe it is Chinese owned. I did not use any of the reports of the Chinese press, i.e. the non-English press, though I had translations of some of these reports, which generally were very much fuller for my purposes than the English papers' reports were. The papers I used were chiefly the *North China Daily News*, an influential and reliable British paper in Shanghai, the *Shanghai Times*, which is said to be financed in part by Japanese capital, the *Shanghai Evening Post*, and the able and reliable *China Weekly Review*. The two latter are American-owned papers. I also relied on *Reuter's* reports wherever these appeared outside the above papers (except the *China Press* and *Critic*), and I have quoted *Domei*, the semi-official Japanese news agency. In excluding the two papers which I have mentioned, I do not insinuate anything whatever against their honesty. I found them most excellent. It is only to avoid a criticism of prejudice. The whole of this book, therefore, except for about six paragraphs which I have indicated

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in the text, and the last chapter about Mr. Obaka, and, naturally, the political and historical matters, may be corroborated by a reference to the above newspapers, copies of which may be obtained at their London or New York offices. I have endeavoured wherever possible to support political views by reliable or authoritative quotations.

In order not to overburden the text, I have added a series of five Appendices, which contain quotations from the Japanese press, to give the Japanese version of certain questions discussed, official statements for reference, and some statistical matter.

I know that it will be argued that newspaper reports are not always reliable, but in answer to that it may be said that one cannot obtain such a consistent and ever-recurring series of reports on the same subjects in such excellent papers as I have found the Shanghai papers to be, without there being a great deal of truth in those reports. Nor are these newspapers prejudiced on the Chinese side. Indeed, if I may say so, I found occasionally creeping out from their usually impartial attitude a slight anti-Chinese prejudice. This applied to two of the papers more than to the others.

In a number of chapters in this book it may appear that some item of proof is lacking. If a little forbearance is granted me, that item of proof will appear in a later part of the book, or in the Appendix. As I tried not to burden any portion of the book, and endeavoured to avoid duplication, it was inevitable that much material which might conveniently have been treated in one chapter had to be left over for more essential use in another chapter. I have not used many cross-references, again not to overburden the book with footnotes.

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As this work goes to print, I grow more and more reluctant that it should see the light of day. It contains serious accusations, and if they are true, as I believe them to be, or even if half of them are true, the outlook for humanity is depressing. This is the cause of my reluctance; but equally it is the reason why I feel my reluctance should be overcome. There is such a thing as public duty, and if this little work or a portion of it can in any way be of infinitesimal service, it will not have been written in vain. It is with genuine sincerity that I say that my investigations have not been directed against a people but against a military system.

It may appear that the opinions which I have given on economic and political topics are sometimes lacking in depth. Considerations of space, time and also of policy in these days of stress, when the unity of moderate people and of moderate nations is essential, have had something to do with this, apart from my own shortcomings. The former, I am sure, will be understood without any necessity of my having to say more.

H. J. M.

September 11, 1937.

PART I
SHANGHAI SYMPHONY

LITTLE YELLOW GENTLEMEN

CHAPTER I

THE STRANGE CASE OF SADAO MIYAZAKI

or the Mystery of the Thin Man of Shanghai

AT half-past nine on the night of July 24, 1937, a Japanese civilian stopped three Japanese bluejackets in North Szechuan Road, Shanghai, and informed them that he had witnessed a scuffle between a Japanese bluejacket and some Chinese opposite the Dixwell Road Police Station. A motor-car had driven up and the bluejacket had been bundled into the car and whisked away. He had picked up the sailor's cap and neckpiece and gave these articles to the three seamen.

The latter asked the informant to accompany them to the Japanese Naval Landing Party Headquarters but he replied that he had to return home, for his mother was very ill and he could not leave her alone. He gave his name and address as "Yoshio Okasaki, 85 Woosung Road, Shanghai."

The bluejackets hurried to headquarters and reported what the stranger had told them. Within an hour of that report having been made—it was declared that the informant was well known to the Japanese authorities—a thousand Japanese bluejackets were rushed from their various quarters and were busy patrolling the streets of Hongkew as well

as a portion of the suburb of Chapei, five hundred yards north of the Woosung-Shanghai railway track.¹ The Woosung Road and Railway were important from a military point of view, because Japanese reinforcements could be brought to Shanghai along them from Japanese warships stationed at the mouth of the Whangpoo River, on the banks of which Shanghai is situated. These Japanese bluejackets were fully armed; they were accompanied by armoured cars; they set up machine-guns at many street-corners; and outside the Naval Party Headquarters a long line of military trucks stood ready for emergencies. The whole manœuvre was carried out with the efficiency and thoroughness characteristic of the Japanese. It was—a rehearsal of immense significance carried out within an hour of receiving the report of the disappearance of the Japanese bluejacket. No other nation, even in its own territory, could have staged such a demonstration under six hours' notice. Every Japanese bluejacket automatically went to his place, took up his position and set up his machine-gun or his barricades, as the case might be. There had been a similar demonstration, but on a smaller and quieter scale, on July 2.

All night long these Japanese bluejackets with bayoneted rifles stopped cars, rickshas and pedestrians, searched houses and questioned terrified Chinese and puzzled foreigners, rushed about in armoured motor-cycles with machine-guns in the side-cars, and in trucks and lorries and armoured cars. These operations were carried on until well into the next day, when they suddenly stopped. Something had happened.

It should be remembered that Hongkew is part of

¹ See map of Shanghai, p. 23.

the neutral International Settlement of Shanghai, under the jurisdiction of the Settlement Municipal Council. The Japanese have the right to maintain a Naval Landing Station on the Whangpoo River, in order to protect the twenty-odd thousand Japanese nationals resident in Hongkew. Some distance away from the Landing Station, near the boundary of the Municipality of Greater Shanghai, the Chinese-controlled portion of the city, that is, near Chapei, the Japanese had built themselves a barracks, a concrete structure so strongly fortified that it is said to be impregnable.

Here they have every modern device of offensive and defensive warfare—cannon and barbed-wire entanglements and anti-aircraft guns. The ground on which this formidable structure stands was bought some years ago by Chinese “traitors” in small lots, and amalgamated under a company and turned over to the Japanese Naval Authorities after the building had been completed; and though Hongkew is administered by the neutral Settlement authorities, whose police patrol the suburb, the existence of this urban fort was conveniently ignored, for who had power enough to order the Japanese to remove it?

The action of the Japanese authorities in patrolling the streets of Hongkew and Chapei on the night of July 24 caused an immediate panic. The Chinese residents, remembering the slaughter and destruction of Chapei in 1932, with its appalling loss of civilian lives, commenced an evacuation which was to continue in varying degrees of intensity for a whole month. Within twelve hours of the disappearance of the blue-jacket more than ten thousand Chinese had left Chapei and Hongkew for that part of the International Settlement which is south of the Soochow Creek.

By midnight on the 24th not only the Settlement police but also the Chinese authorities were assisting the Japanese in the search for the missing bluejacket. His name was declared to be Sadao Miyazaki, first-class seaman, described by the Japanese naval authorities as a "quiet fellow with a good record."

But during the night a new problem arose. The Chinese police discovered that both Yoshio Okasaki and 85 Woosung Road were fictitious; there was no such name and no such address. This looked suspicious, and immediately a search was commenced for the mysterious informant. The three Japanese blue-jackets to whom he was alleged to have spoken were questioned all night. The informant, they said, was dressed "in a short-sleeved polo shirt, white duck trousers with a white belt, white shoes and a slouch tennis hat."

With the aid of a press-card I made a few inquiries of my own. I went first to the Dixwell Road Police Station, within a few yards of which the scuffle and kidnapping of Mr. Sadao Miyazaki were said to have taken place. I questioned both the guard on duty outside the door of the police station at half-past nine that night, and the officer on duty inside. Both were positive that they heard nothing. One of them remarked that he thought a kidnapped person would have endeavoured to shout for help. The outside guard was positive not only that he saw and heard nothing but that no scuffle and no kidnapping—in fact that nothing untoward—took place outside the police station that evening.

I then went to the Japanese Consulate and questioned one of the spokesmen there. The following is the conversation that took place:

"Owing to the tension in Shanghai the bluejackets have to have permission to go out after dark?" I asked.

"Yes," came the reply.

"You keep a record of those who go out after dark?"

"Yes."

"Sadao Miyazaki went out last night?"

"Of course."

"And he hasn't returned?"

"No."

"Then there is no doubt that he is missing?"

"Yes."

"Strict instructions have been given by the naval authorities that when bluejackets go out they must go out and keep in parties of three?"

"Yes."

"Who were the other two? Who were the companions of the missing man?"

The last question seemed to disconcert the Japanese spokesman.

"I don't know," he answered.

"But surely that is important?" I said. "A thousand Japanese bluejackets in full war kit are moved into Chapei and Hongkew on the report of a mysterious civilian, who gives a fictitious name and address, and thousands of innocent people are stopped and questioned and thrown into a panic. One would have thought that more inquiries would have been made."

"We are making inquiries."

"You said you have a record of those who go out after dark?"

"Yes."

"Why don't you look up that record and find out

who the other two bluejackets were who accompanied Sadao Miyazaki?"

"Oh, they would not admit to having separated. It would be breaking an order."

"Then they must have seen the scuffle and kidnapping? Why didn't they report it?"

"We are still making inquiries."

I did not know at that time that it had been reported in Japan that both the missing seaman and two companions had been attacked, the latter escaping.

I went on to another point. "The Japanese are patriotic?" I asked.

"Yes, they are."

"And in these times of war and tension anxious to help the Japanese authorities? You have found that?"

"Yes."

"Then if you broadcast a statement to Yoshio Okasaki that he is wanted, he should turn up?"

"That I cannot say."

I left, feeling that I had not made much headway.

For fifteen hours after the report of the kidnapping of Sadao Miyazaki, events moved rapidly.

At six o'clock on the Sunday morning, July 25, a roll-call was held at the Japanese Naval Headquarters for all those who were not on duty patrolling the streets. This is a usual custom. The gentlemen of the Japanese Naval Landing Party are occasionally allowed to sleep out at night. There are certain places they may go to, and certain places to which they may not go. The Japanese navy takes cognizance of these things. At the roll-call Sadao Miyazaki's name alone remained unanswered. "The extra precaution was taken," said a Japanese spokesman, "of sending

buglers out to all places where Japanese sailors are likely to concentrate." There could be no doubt that first-class seaman Sadao Miyazaki had disappeared, and his name was officially posted as missing.

But as the morning wore on the Japanese authorities began to get fidgety. Something had gone wrong somewhere. The fact that Yoshio Okasaki, the name given by the informant, had been discovered to be fictitious, upset them. Why did the Chinese authorities poke their noses into these affairs? This was a Japanese affair and should have been left to the Japanese. The Chinese had no business to go probing into the identity of Mr. Yoshio Okasaki. They had never done so before; why do so now?

Meanwhile news came that a cabinet meeting had been held in Tokyo and two statements issued there.

"In view of the complicated conditions prevailing in Shanghai," one statement declared, "endeavours are being made to learn the facts and ascertain the circumstances of the affair. The most suitable measures to deal with the situation will be taken after the facts in the case are determined."

"Strong efforts to prevent unnecessary commotion are being made by the Japanese naval authorities in Shanghai," the second statement declared.

It was most unfortunate, it was felt in Shanghai among the Japanese naval authorities, that such statements should have been made in Tokyo. "The most suitable measures will be taken after the facts have been determined!" "Strong efforts to prevent unnecessary commotion!" How determine the facts in the way the Naval Landing Party wished to determine them, with the Chinese and Settlement authorities running about all over the place discovering that the informant was perhaps no informant, and the

English and Chinese press of Shanghai more than sceptical?

At 11.30 that morning, Mr. Okamoto, the Japanese Consul-General in Shanghai, drove to the Civic Centre to interview Mr. O. K. Yui, the first mayor that Greater Shanghai had had who was not a "General."

"I wish to assure you," said Mr. Okamoto to Mr. Yui, who had been up all night and whose appointment as mayor had been greeted by so tense a situation, "that the Japanese do not intend to aggravate the situation. I wish to express my appreciation of the assistance given by the Chinese authorities in investigating the case. We have withdrawn our naval units from the Chinese areas in Chapei, and will withdraw those in the streets of Hongkew this afternoon."

Mr. Yui is always polite and always unequivocal. Somebody once tried to bribe him—there was just the hint of it in the conversation—and Yui kicked him out of his office with his own boot. He was born in Kwangtung in the south of China forty-one years ago—a Cantonese, like so many of those who have rendered great services to China, notably Dr. Sun Yat-sen, father of the Chinese Republic. He was educated at St. John's University, Shanghai, for a time was reporter on an English paper in Shanghai, and then was appointed secretary to the Ministry of Foreign Affairs when the Wuhan Nationalists formed a government in 1927. He is energetic and efficient, and despite his outspokenness, friendly and helpful.

"I thank you for your visit, your expression of appreciation, and your assurance that the situation will not be aggravated," he said to Mr. Okamoto, "but I deeply regret the unwarranted activities of the

Naval Landing Party, which sent patrols in full war kit into Chinese territory even before any thorough investigation had been made into what I must term the alleged disappearance of a bluejacket. Disastrous consequences were averted only by reason of the careful manner in which the Chinese police handled the situation. I sincerely hope that in future the Japanese Naval Landing authorities will exercise greater consideration in order to avoid similar disturbances of the peace and order of the city." He was thinking perhaps of the demonstration of July 2, also. A Japanese Consul had never been addressed by a Chinese in this manner before, fearlessly and firmly. Mr. Okamoto was silent.

"And I wish to add," Mr. Yui continued, "that as soon as I received the report of the commotion in Hongkew and Chapei, I sent out investigators to assist in probing the case with the Settlement police. Several points which led to suspicion were discovered, such as the fictitious name and address of the informant and the fact that no other witnesses could be found. The incident is alleged to have taken place in one of the busiest sections of the city; if it did take place, it is remarkable indeed that no other witnesses can be found."

Mr. Okamoto left, wondering what possessed the Japanese navy to make this blunder. He must have recalled the Shanghai blunder of 1932, when a costly and bloody war had arisen from an insignificant incident. He must have thought of the recently issued instructions of the Japanese Foreign Office to avoid incidents in south and central China in an endeavour to "localize the war" in North China. And credit must go to Mr. Okamoto for doing all in his very limited power to end the Sadao Miyazaki

incident. We do not know what conferences took place between Mr. Okamoto and the naval authorities, but certainly there was a change of front.

At this stage we must bear in mind the fact of the virtual separation of the Japanese naval authorities, the Japanese military authorities and the Japanese civil authorities. The navy is entitled to act and often does act without reference to the Foreign Office and the rest of the civil government of Japan, often dragging the Foreign Office into most embarrassing situations, as, for example, in Shanghai in 1932. The power of the navy and the military in Japan, holding as they do key positions in the government, is such that they are masters not only of Japan's internal administration but also of Japan's foreign policy, and the instigators of Japan's foreign adventures and her acts of aggression. From what I know of the Japanese people as individuals, they are no more to be condemned for the policy of incidents and provocation in China than the ordinary civil population of any other country is to be blamed for warlike measures or a spirit of militarism in those countries, and nothing that I may say is to be taken as directed against the Japanese people as a whole but only against those authorities, both naval and military, whose activities are the subject of this examination.

The frank statement of Mayor O. K. Yui—he is never referred to even in ordinary conversation without his initials—was endorsed not only by the British and American newspapers in Shanghai but in one way or another by newspapers throughout the world. Especially was the local Chinese press satisfied with the Mayor's statement, for here at last, they felt, was someone who spoke bravely and with dignity the thoughts of the Chinese people.

As I have stated, there was a change of front. Perhaps the action of the Japanese naval authorities had been too precipitate. The Japanese semi-official news agency, *Domei*, within a few hours of the disappearance of Mr. Miyazaki, had circulated his photograph to all the papers in Shanghai and in Japan. There were rumours of Japanese warships lying off Woosung at the mouth of the Whangpoo.

"The key to the incident," now declared the Japanese naval authorities in another official statement, "lies in the discovery of the identity of the informant who gave his name as Yoshio Okasaki." He was described as a "thin man."

That was all the description given. Nothing more about short-sleeved polo shirts and white duck trousers. These can be changed, but a "thin man" cannot grow stout in a day.

There were hints in the local English press on July 27 that the "thin man" and the missing seaman were one and the same; it was said that Sadao Miyazaki had visited a place of ill-fame which was not one of those on the official list of the Japanese naval authorities, and that, having been seen, he was afraid and ran away, giving a fictitious name to his own mates. The Japanese authorities or press did not deny these reports. Their origin is a mystery, though some say that there can be no doubt from subsequent events that they were "inspired." Two facts, however, did not fit in: Mr. Sadao Miyazaki was not a thin man but a rather stout little man; and if he disappeared so completely, who was there could tell that he was afraid and therefore ran away? The last point is important.

Nevertheless, the thin man must be found, and the Japanese began an intensive search. But the

change of front did not meet with a good reception. The "thin man" story was made the subject of a number of gibes. One paper blasphemously referred to Sadao Miyazaki, Yoshio Okasaki and the thin man, as "the Father, the Son, and the Holy Ghost." A Chinese paper advised all persons engaging rickshas to look under the seat-cushion before sitting down, in case "the thin man was hiding under it."

The Japanese, of course, did not like all this, and all of a sudden, a few days after Miyazaki's disappearance, something new happened. A terrific hullabaloo started in the Shanghai Japanese press about something altogether disconnected with Sadao Miyazaki.

A fruit dealer on the outskirts of Shanghai, a Japanese by the name of Kiyoshi Temizu, was reported to have been the victim of a robbery. He had lost ten water-melons, one chicken and a Japanese flag, which had been torn from its pole. The Japanese consular police rushed to the scene, and there, sure enough, strands of white cloth dangled from the flag-pole. "This is a deliberate attempt to insult the national flag," the local Japanese newspapers said. "The incident is assuming serious proportions."

But the foreign press in Shanghai gave little space to the affair; it was described in obscure corners of the papers as "another incident." The Chinese press again was sarcastic, this time at the expense of "Mr. Temizu's melon patch." The Mayor promised to look into it, but the incident died a natural death in the midst of a new sensation. Mr. Sadao Miyazaki turned up.

On July 27 a ferry boatman at Chinkiang, about 100 miles from Shanghai, rescued a man from the Yangtse River. He was seen to be Japanese and was handed over to the local police, who in turn

handed him to the Provincial government, who, discovering that he was the missing Miyazaki, handed over the precious culprit to the Chinese Foreign Office at Nanking. There he made a statement, signed it and sealed it with his finger-prints, and then was handed over, safe and sound, to the Japanese Consulate-General in Nanking.

The Japanese Consulate-General could not believe that the man was Sadao Miyazaki. It was most inconvenient.

They looked at him. He wasn't thin; he was rather stoutish. He wasn't wearing a polo shirt, or white duck trousers. So they issued a statement. "We are launching an investigation," the statement declared, "concerning an alleged declaration made by a person claiming to be Sadao Miyazaki."

This investigation was never launched, for when the man was handed over to the Japanese naval authorities in Shanghai, he was identified as Sadao Miyazaki, the missing seaman.

This is a translation of the written document signed by him at the Chinese Foreign Office in Nanking:

"I went to a house of ill-fame which was not one of those designated by the Japanese Landing Party and was seen by a fellow seaman. Full of fear I did not return to my quarters and proceeded in the direction of the Shanghai Cenotaph. I remained in Shanghai on July 24 and 25 and boarded a British steamer at 8 o'clock on July 26, but in doing this I had no other aim than making an escape. At about 11 p.m. on July 26 I jumped overboard at a point near the police station at Chinkiang. I reached Chinkiang and spent the night in the hills. At about 10 a.m. on July 27 I again jumped into the Yangtse River and attempted to swim across from Chinkiang. But

before I got to the opposite shore I was rescued by a boatman and was sent to the police station at Chinkiang. The house of ill-fame I visited was located on Range Road. I went there alone at about 9 p.m. on July 24, and remained there till about 9.30 p.m. It was a house kept by Chinese and I paid two dollars. Just as I was leaving three men who looked like Chinese came after me for money. There was an argument but I did not pay them. Then I took a ricksha and went in the direction of the cenotaph. When I was leaving the house I was seen by a fellow seaman, but I did not know his name. The above-mentioned argument took place after I was seen by my fellow seaman. When I was involved in the argument I was dressed in my uniform, but in the midst of it I threw away my cap and collar-badges. Then I went away on a ricksha. When I had gone past the cenotaph, I wrapped my uniform in a newspaper, which I carried with me when I went aboard the steamer. It was finally thrown away when I jumped into the river because I felt very miserable. I jumped into the river because I was sleeping on the topmost deck where I was about to be discovered. I was afraid that I might be taken to the captain, because I had no ticket. I was so afraid that I jumped into the river."

This was a mighty anti-climax to the excitement which, for nearly a week, had turned Shanghai into a city of turmoil.

A day later, on August 1, the following statement was issued by Rear-Admiral Okochi, Commander of the Japanese Naval Party at Shanghai: "Deep respect and appreciation are hereby expressed by the Landing Party for the whole-hearted co-operation given by the Shanghai Municipal Council, the Japanese Consular

Police, Japanese residents and officials, and last, but not least, the Chinese officials in the search. The Landing Party sincerely regrets having been the cause of such commotion at this time of crisis and hereby pledges itself to enforce stricter discipline so that it may better carry out its duties for the protection of Japanese lives and property."

Some nasty people said that there was a sting in the tail of this statement, for the whole strange affair had nothing to do with the protection of Japanese lives and property; others remarked that this was the first apology ever made by the Japanese to the Chinese, and that someone, either Japanese or Chinese, would have to pay heavily for this climb-down by the Japanese navy.

Several theories were advanced in an endeavour to solve the mystery of the "thin man." The simplest was that Sadao reported the matter himself and that he was the "thin man." But it was pointed out that Sadao is not thin and that he did not mention the fact of making a report in his statement. Unfortunately he is not available for questioning. As the latter fact is so important there is little doubt that he would have mentioned it, and that the three bluejackets, on being shown his photograph, would have recognized him. Nor was he wearing a polo shirt but was in uniform at 9.30 p.m., for he changed only after reaching the cenotaph.

Another theory is that the fellow seaman whom Sadao saw reported the matter to the three other seamen; but there is nothing to support this theory; in fact, everything is against it; the informant was described by them as a civilian wearing a polo shirt. The third theory is that there actually was a "thin man," a civilian, who heard an argument and reported it, adding a few details of an exaggerated nature; then,

on being asked to come to the Naval Party Headquarters, grew afraid of his own version of the story and disappeared. But it is pointed out that the Dixwell Road police heard no argument, and that it was very unlikely that a civilian would trifle in this manner with a navy which had already made its power felt in Shanghai.

A fourth theory, based on the inspired reports that appeared in the press before Sadao had made his statement at Nanking on July 28 that he was afraid after he was seen visiting a house not on the official list, was to the effect that at that time there were people who knew more about the statement that Sadao was actually to make later, and did make, than they would care to admit. Sadao, it was said by these theorists, had been told what to do and how to do it, but he must have made a mistake and the plan miscarried.

For ourselves, perhaps we should take no part in these arguments, read if we care to, without attaching any importance to it, the last chapter in this book, "Mr. Obaka's Autobiography," and content ourselves with the remarks of the *Shanghai Evening Post* of July 30:

The strange case of Sadao Miyazaki, the *Post* declared, now takes its place beside the famous Nanking "Kuramoto murder mystery" of 1934. . . . Mr. Kuramoto, it will be recalled, was a Japanese consular official whose disappearance from the national capital precipitated an incident of major consequence. Gunboats churned the turgid Yangtse, impressive demands were made, war apparently threatened—and then meek and sheepish Mr. Kuramoto turned up, very hungry and dejected, near the Ming Tomb on Purple Mountain.

It seems he had felt humiliated over some

development in his official life, so he went out to be eaten by wolves, even cutting the buttons off his garments in order to facilitate their gastronomic processes. But either the wolves weren't hungry or they were afraid of precipitating international complications, for Mr. Kuramoto survived to the considerable embarrassment of his fellow countrymen who had been pounding the war-drums. . . .

Mr. Kuramoto was bundled off to Japan and so far as we know he has not since been reported. What will happen to Seaman Miyazaki is a matter on which we need not speculate, but we suspect it may be plenty. . . . (After quoting from Sadao's statement, the newspaper went on to say:) At Chinkiang the culprit jumped overboard, swimming ashore and spending a night in the hills—perhaps as an offering to Mr. Kuramoto's wolves, who again seem to have adopted a disdainful attitude, or perhaps again they were prudently patriotic and did not wish to break the law against anti-Japanese activities. Finally he landed in the arms of Chinese law which, despite Japan's distrust of it, functioned with sufficient efficiency to deliver him back to his own—even as in the historic Kuramoto case.

The Nanking Consulate-General took a very suspicious view of the whole matter, speaking of "a person claiming to be Sadao Miyazaki" and saying it was launching an investigation, perhaps with the object of finding out why anybody should claim to be Sadao Miyazaki if he were not! We leave them to the solution of this mystery, confident that in due course they will liquidate it as effectively as was done in the instance of the well-known, we trust not late, Mr. Kuramoto.

Or does the newspaper make too little of the whole affair? Is there something deeper and more sinister behind the ever-recurring incidents in which the Japanese are the victims of the "outrageous Chinese"?

[REFERENCES: All the facts as stated in this chapter may be corroborated by reference to the daily English press of Shanghai and the *China Weekly Review*, for July and August, 1937, copies of all of which may be found in their London and New York offices. Japanese press statements and reaction are referred to in APPENDIX I.]

CHAPTER II

THE HUNGJAO AERODROME INCIDENT

SHANGHAI read the apology of Rear-Admiral Okochi on August 1 with a sigh of relief. A new era had arrived. For the first time in history the Japanese navy had apologized to the Chinese. For eight days Shanghai went on its happy way, the cabarets continued, tourists crowded the hotels.

Those who had said that someone would have to pay for the fiasco of the Miyazaki affair and that there was a sting in the tail of Rear-Admiral Okochi's statement that "the Landing Party hereby pledges itself to enforce stricter discipline so that it may better carry out its duties for the protection of Japanese lives and property," subsided into their armchairs and silently sipped their whisky. Foreign experts in Shanghai confidently assured me that there would be no war in Shanghai. The Chinese were not going to fight, they said, and the Japanese Foreign Office had given strict instructions to localize the war in the north and to refrain from incidents in central and south China and along the coast. But these experts forgot to take the Japanese navy into account. They laughed at me when I showed them newspaper articles I had written that hostilities would become widespread and that Shanghai would suffer with other coastal towns. Perhaps I understood the mentality of the Japanese naval authorities better than they did, or may be I was taking a shot in the dark. At any rate,

I had carefully worked out a theory, which I called "The Policy of Incidents," which has served me in good stead, and with which I hope to deal in subsequent parts of this book.

During the day of August 9, nine Japanese fighting ships came up the Whangpoo River from Woosung and landed several thousand bluejackets at Hongkew and along the Yangtszepoo river-front. About thirty fighting ships remained at the river mouth near Woosung. When this happened even the experts began to prick up their ears; they had enough admiration for the Japanese to realize that Japan did not send reinforcements anywhere for nothing. Not for nothing do the warships of the First Japanese Battle Fleet steam up the Whangpoo and drop anchor. Hullo, what's this? they said. Something was going to happen.

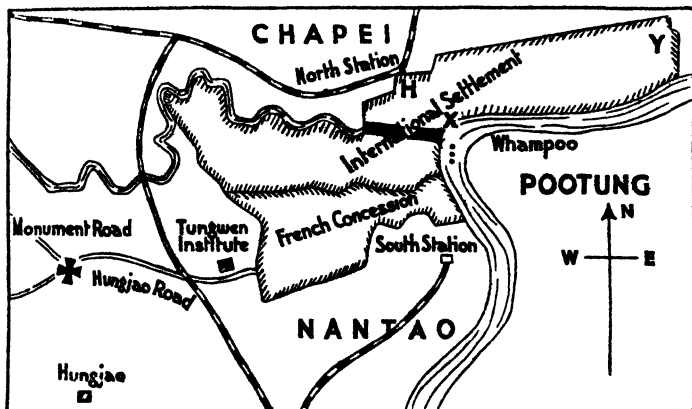
And something did happen.

At 5.30 p.m. on the same day, August 9, two Japanese military officers were shot dead at Hungjao, at the Chinese military aerodrome. This aerodrome, which is situated a few miles to the south of the International Settlement and the French Concession, was destroyed by the Japanese in the Shanghai War of 1932, but it had been reconstructed and had become an important centre of Chinese military aviation.

Before entering upon a description of the Hungjao incident, as it is now called, let us consider two aspects of the Japanese fighting mind: first, the attitude towards death, and second, the attitude towards the Chinese.

The Japanese fighting man has been taught that to die for his country and his Emperor is not only a duty but a privilege made possible by the grace of Providence. It assures him a place in the hereafter of

which no sin during his lifetime can deprive him. This accounts for the prevalent practice of hara-kiri or patriotic suicide in Japan. It is nothing for a member of the Black Dragon Society to shoot a Japanese Prime Minister and then rip his own belly open in a public



The thick line shows the Soochow Creek continuation through the International Settlement. The letter H indicates Hongkew at the spot where the Japanese Naval Barracks have been erected; Y the Yangtszepoo area of Shanghai, occupied by Japanese troops on Aug. 12; Chapei, the Chinese portion of Shanghai; Nantao and Pootung, Chinese suburbs of Shanghai; dots in the River Whampoo [Whangpoo] show where British and American warships were anchored. Hungjao aerodrome is at the lower left-hand corner; the cross shows entrance to the airfield. At Pootung Chinese guns were placed, firing at the Japanese flagship *Idzumo*, anchored near point marked x, at the South of Soochow Creek, and next to the Japanese Consulate. Nearby is the Japanese Landing Party Wharf. Woosung is on the northern bank of the Whampoo, about 14 miles east of Shanghai. From a Japanese map.

place for all to see his patriotic action. It is nothing for a Japanese military officer to walk into the office of a Foreign Minister and blow his own brains out as a mark of protest against some turn in foreign policy. He will probably be accorded a tremendous funeral,

with thousands of patriotic members of various secret societies singing the praises of the dead hero. It would be nothing for a Japanese soldier to tie explosives round his body and hurl himself at the enemy, for the immortal spirits would gather the remnants of his shattered soul and preserve them for eternity. This attitude is neither condemned nor praised; whether it is bravery or not depends on the approach to the philosophy of it, the pitch of excitement to which a self-destroyed victim might have reached. We are concerned only with the lack of physical fear in so many Japanese. This attitude is not universal in Japan or even in the fighting forces; it is to be found chiefly in the members of the secret patriotic societies.

The second point, the attitude of the Japanese towards the Chinese, is on a different plane. The Japanese believe that they can do exactly as they wish with the Chinese. Perhaps what happened in Manchuria in 1931 has given them ground for this belief. They seriously think that the Chinese will not resist them if they press any claim, big or small. If they want a slice of territory, if they demand that Chinese soldiers be disarmed, if they insist upon the demilitarization of a strip of ground, if they want compensation for an incident, if they demand entrance to a garrisoned Chinese city, these requests have only to be made to be granted. These things have happened time and time again; the history of China during the last six years is filled with examples portraying this state of mind. If the Chinese erect fortifications anywhere along the coast or near Japanese concessions or near the border of Jehol, the Japanese claim the right of inspection, the Chinese call it spying, but they agree to the request for inspection. In certain regions the Japanese have declared

that the Chinese may not station any regular soldiers; they may have Peace Preservation Officers only, a kind of special constabulary. The Chinese, time and time again, have agreed to this. So an attitude of mind on the part of the Japanese has developed, and perhaps it is the fault of the Chinese that this state of affairs has come about.

On August 6, at about 10 p.m., a Chinese peace preservation officer reported that he had seen two foreign persons, not Europeans, moving suspiciously about the Hungjao aerodrome. He had challenged them and they had fired at him, and then disappeared into the dark bean-fields. There had been a number of such incidents since the war started in the north on July 7. The Hungjao aerodrome is an important military structure and naturally the Chinese do not want unauthorized persons or spies hanging about the place. Imagine what would happen if unauthorized and suspicious-looking persons who fled when challenged kept on visiting the vicinity of important military aerodromes in European countries! I think the guards would be doubled and orders given to shoot at sight.

With the arrival of the Japanese naval reinforcements on August 9, it seemed that the decks were cleared for yet another incident. Let us read the official Japanese version, issued on August 10 by the Japanese Naval Landing Party Headquarters, of the Hungjao incident.

Sub-Lieutenant Isao Ohyama, commander of the First Company, was motoring at about five o'clock last night along Monument Road, an extension road of the International Settlement of Shanghai. Seaman Yozo Saito, First Class, was at the wheel. The automobile was suddenly

surrounded by members of the Peace Preservation Corps, who fired upon the automobile with machine-guns and rifles. Sub-Lieutenant Ohyama was killed outright, many bullets lodging in his body. Investigators found his head and abdomen riddled with bullets. The wind-shield was broken into small pieces, while the body of the automobile bore numerous bullet marks. The entire picture was one of extreme brutality by members of the Peace Preservation Corps. Monument Road is an extension road of the International Settlement of Shanghai and foreigners have free use of it. The Chinese have recently constructed defence works and sand-bag barricades, and set land mines around Shanghai. At night people were prevented by the military from using the road. Even in the daytime the military dared to search the passers-by, threatening the latter with pistols. These actions on the part of the Chinese clearly formed not only a violation of the Shanghai Truce Agreement but also presented an insult to the foreign residents of the International Settlement.

The Special Naval Landing Party of the Imperial Japanese Navy is now ready to seek a thorough solution of the incident. While assuming a fair and firm attitude, it will demand that the Chinese authorities bear responsibility for this illegal act.

An official news bulletin issued in Tokyo on the night of the incident, August 9, stated that "the situation in Shanghai is even more serious than it was immediately prior to the outbreak of hostilities in 1932," and on the next day, August 10, an emergency conference of the Japanese Navy's highest officials, including Admiral Yonai, the Navy Minister, reached

a decision to "mete out retribution to the Chinese troops if the latter continue to maintain their insincere and challenging attitude"—phrases which we shall meet again, repeated with the regularity of a formula.

As soon as Mayor O. K. Yui heard about the Hungjao affair, he acted with promptitude. There were two things he bore in mind. One was the heavy concentration of Japanese warships and bluejackets in Shanghai, the other was that the Japanese might repeat the Hongkew performance of July 24, and rush armed bluejackets, armoured cars and machine-gun squads to the Hungjao aerodrome, thus taking possession of it before the Chinese planes had an opportunity of being removed. He therefore ordered the approaches to the aerodrome to be barricaded and manned by Chinese soldiers, and transportation vehicles to stand ready to bring reinforcements from inland. There were some who criticized Mayor Yui for these actions, but perhaps he is a realist. At the same time he got into touch with Consul Okamoto, expressed his regrets that two Japanese were killed, and proposed a joint investigation in order to fix the responsibility and settle the matter along diplomatic lines. This was a fair suggestion and Mr. Okamoto agreed to it. It was arranged that Chinese civil and military officials and Japanese naval officers assisted by experts and by "unofficial" representatives of the International Settlement should commence the investigation the next morning early. The Japanese statements quoted above were made *after* the joint investigation was agreed upon, and except for the statement issued during the night in Tokyo, the other two statements were issued *while* the joint commission was conducting its activities. This does not

show any intention on the part of the Japanese to respect the findings of the joint commission.

Indeed, the pessimistic theorists of Shanghai, who had sat back in their armchairs after the Japanese Navy had apologized to the Chinese, now jumped up and declared that the two Japanese seamen had been deliberately sent to the aerodrome either for spying work or to create an incident. If they could get through by bullying or bluffing the foolish Chinese, and discover how many planes there were in the hangars, and in which hangars they were located, whether in all of them or in particular ones, a surprise air attack on the aerodrome—before the Chinese planes could take off; one actually occurred four days later—might have destroyed half the Chinese air-fleet. If they could not get through the guards, well, an incident was just about due, for the rest of the Japanese Navy was waiting up the river for an excuse to steam to Shanghai. One or the other was to happen. If the other—there was always the hereafter for the loyal fighting-men of the Emperor!

I do not wish to appear legally pedantic, but there are a number of points concerning the Japanese official version of the incident which any reader of intelligence can examine for his or her self, and it will be sufficient merely to mention them in general outline.

First, it is unfortunate but nevertheless a fact, that no Japanese eye-witnesses to the affair were left alive. It is true that on this account the Chinese version of the affair will have to be studied with extra care and all surrounding circumstances taken into consideration; nevertheless the Japanese account of it is of necessity based on hearsay (the most unreliable kind of evidence in times of stress and rumour) and on a

hurried reconstruction of the affair from assumed facts.

Secondly, it is undisputed that the Japanese seamen came to the entrance of the aerodrome. It is a pertinent question to ask, in the words of Mayor O. K. Yui, "What were they doing at a strongly fortified Chinese military aerodrome in a time of crisis?"

Thirdly, portion of the Japanese statement speaks of breaches of the Shanghai Truce Agreement of 1932, such as the fortification of the area around Shanghai, and an insult to the foreign (that is, the British and American) residents in the International Settlement. Apart from these statements being irrelevant to the main issue, namely, how did the Japanese come to be killed? the first is incorrect and the second is typical of attempts made to create hostility between the foreigners in Shanghai and the Chinese. No less an authority than Mr. H. G. W. Woodhead, C.B.E., editor of the *China Year Book*, and never particularly partial to the Chinese, stated in an article in the *Shanghai Evening Post* on August 14 that "literal compliance with the (Truce) agreement would result . . . in Chinese troops being free to occupy the south bank of the Soochow Creek to the Settlement boundary near the end of Ferry Road and thence round the Settlement and the French Concession to Nantao." The Hungjao aerodrome is within this latter area.

Fourthly and lastly, the end of the Japanese statement, as well as the Navy's statement issued in Tokyo, about "meting out retribution to the Chinese," seems to prejudge the decision of the investigating commission and to indicate that the Japanese intended to seize upon the incident as an excuse for further

aggression, no matter what the decision of the investigating commission might be.

We can now turn to the Chinese version of the incident. The Chinese stated that the two Japanese seamen approached the aerodrome and were challenged to stop their car, but instead of doing so they proceeded. When the Chinese guards tried to stop them the Japanese opened fire but no one was killed. The Chinese did not return the fire because they had been given strict instructions not to open fire if small groups of Japanese sought to create disturbances. Upon hearing gun-fire, members of the Peace Preservation Corps rushed to the scene to make investigations, whereupon the Japanese opened fire, killing one of them. The Chinese returned the fire, killing one of the Japanese and wounding the other, who took to his heels and collapsed from wounds.

The Japanese countered by saying that only the driver of the car had a gun, and as he was driving he could not have used it. The other seaman, they said, had left his revolver in his room. The Chinese officer was killed by the fire of his own colleagues as they attacked the car from behind, as it was trying to get away.

To this the Chinese replied: "We picked up Sub-Lieutenant Ohyama's pistol beside his body, where he collapsed. We produce this pistol. Its registered number is 6816. It had been fired. We will examine the bullet in the dead Chinese officer's body and see if it was fired by that pistol."

This was a deadly statement and the offer implied in the last sentence promised to have as deadly a result. But the investigation was never completed.

The attitude of the Japanese may be seen, first, from the Navy's Tokyo statement quoted above, to

"mete out' retribution to the Chinese troops if the latter continue to maintain their insincere and challenging attitude."

Secondly, on the next day, August 11, the Japanese Foreign Office made a statement. "The Japanese government," the statement declared, "has been maintaining the most cautious and peaceful attitude in Shanghai since the outbreak of the North China incident in order to prevent the extension of hostilities to central and south China. . . . All now depends on the Chinese attitude. If China intends to aggravate the situation, Japan will respond." Was it an aggravation of the situation to produce damaging evidence at an inquiry?

Thirdly, a naval spokesman in Tokyo on August 11 stated: "Chinese dilatory tactics in dealing with the (Hungjao) affair will be firmly rejected. While diplomatic procedure will be followed by Japan, Chinese attempts to becloud the issue or to delay a settlement will not be countenanced. The failure of the Chinese to provide eye-witnesses and their plea that details are unavailable because the officer in charge of the aerodrome and the eye-witnesses had gone to Nanking indicate Chinese lack of good faith. Should the Chinese maintain their present attitude and attempt to pigeon-hole this case as they have done with similar incidents in the past, we shall have to take steps to bring them to their senses."

These were, indeed, strong statements, especially while an investigation was proceeding.

But the Chinese had no intention of pigeon-holing the case. It was true that the officer in charge and the eye-witnesses had left for Nanking by plane immediately after the incident to make a report to the Foreign Office first hand, for after all Nanking is the

capital of China, but the investigation was still proceeding and Mayor Yui had wired for their return. Mayor Yui and Consul Okamoto had decided to wait for the reports of the first stage of the investigation, that is, the technical reports by Japanese, Chinese and Settlement experts regarding the autopsy and the examination of the revolver and the bullet in the dead Chinese's body.

Meanwhile an independent foreign observer published a report of the wounds in the Japanese seamen's bodies. "Ohyama was shot," he declared, "above the heart and another bullet pierced his hand and upper arm. He was shot from in front. He was shot also in the head. The Japanese allegation that there were forty wounds in his body is obviously an exaggeration. The driver was shot between the eyes, in the neck, in the upper right breast and through the cheek."

While Yui and Okamoto were waiting for the technical reports, two things happened. Rear-Admiral Honda, naval attaché to the Japanese Embassy, made an official statement (how fond the Japanese are of official statements!): "Trampling underfoot the goodwill shown by the Japanese government," he declared, "in a patient application of the policy of non-aggravation and localization of the North China incident, the Chinese perpetrated a flagrantly illegal act. So that the lives of the victims of this outrage may not have been sacrificed in vain, the Navy has firmly resolved to regard the incident with all the seriousness it deserves. At the same time we shall continue our efforts to reach an amicable settlement by encouraging the Chinese authorities into taking effective measures."

Gentle encouragement! And while an investigation was proceeding, nine more Japanese warships

anchored off Hongkew and landed additional reinforcements. There were now 27 Japanese men-of-war in the heart of Shanghai, and ten thousand Japanese troops waiting on transports ten miles up the river.

Poor, harassed Mayor Yui became pessimistic. "I thought," he said, "that we had agreed to settle the matter peacefully along diplomatic lines. All my hopes of that are receding into the background."

Well might Yui be pessimistic. Japanese armed forces, on August 12, had taken up positions in the Hongkew portion of the neutral International Settlement, from the Soochow Creek northwards and eastwards, and into Chinese Chapei along the exact points covered in the rehearsal of July 24, and almost covered by the demonstration of July 2. True indeed was the statement that the Japanese do not do things for nothing—not even accidentally.

Yui made a last effort for peace. He got Okamoto to make a promise in the presence of the representatives of the Great Powers in Shanghai that Japanese troops would not fire the first shot, and he gave a similar promise on behalf of the Chinese, though he refused to withdraw Chinese troops. It is in vain that such promises are given when thousands of armed troops of hostile countries stand face to face. Never in history has war been avoided in such circumstances. The inevitable happened. Firing started on the 13th. Yui accused the Japanese of breaking their promise. The Japanese counter-accused, and stated that they were taking measures for self-defence. It is a waste of time to inquire who fired the first shot. All night long big guns rumbled outside the Settlement, and on the River Whangpoo inside the Settlement warships blazed away at Chapei.

Within twenty-four hours two thousand civilians

were killed in Shanghai. Tremendous fires from incendiary shells and bombs were destroying wharfs and business buildings and private residences. Within twenty-four hours half a million people, if not more, were rendered homeless. The trade and commerce of the sixth city of the world were paralysed. Five years' reconstruction work on the new suburb of Chapei by the Chinese, costing millions, went up in smoke. The beautiful and artistic Civic Centre, recently completed—why go on? These are mere incidents in the long story of Japanese aggression against China.

[REFERENCES: Same as those given at the end of the last chapter. For Japanese press reports on this incident *see* APPENDIX II in this book.]

CHAPTER III

SHANGHAI IN TRAVAIL

THE total population of Shanghai is over three and a half million, of which about 35,000 (including 20,000 Russians, sometimes referred to as "White Russians") are European. Of this large total population, the International Settlement has nearly a million and a quarter, the French Concession half a million, and the City of Greater Shanghai nearly two million.

The suburb of Chapei, the largest portion of Greater Shanghai, which includes also Nantao, was almost completely destroyed by the Japanese in 1932. By an ironic coincidence the city administration in July, 1937, celebrated the tenth anniversary of the establishment of the City Government as a local provincial administrative unit, and at the same time the fifth anniversary of the beginning of the reconstruction of Chapei. The damage done in 1932 is described in Chapter V and the work of reconstruction in Chapter XII.

Since 1843 Shanghai has been an open port, that is, a neutral international area where all nations may trade and from which none may carry on war. It is governed by a mixed council of foreigners (who in practice are mostly British and Americans).

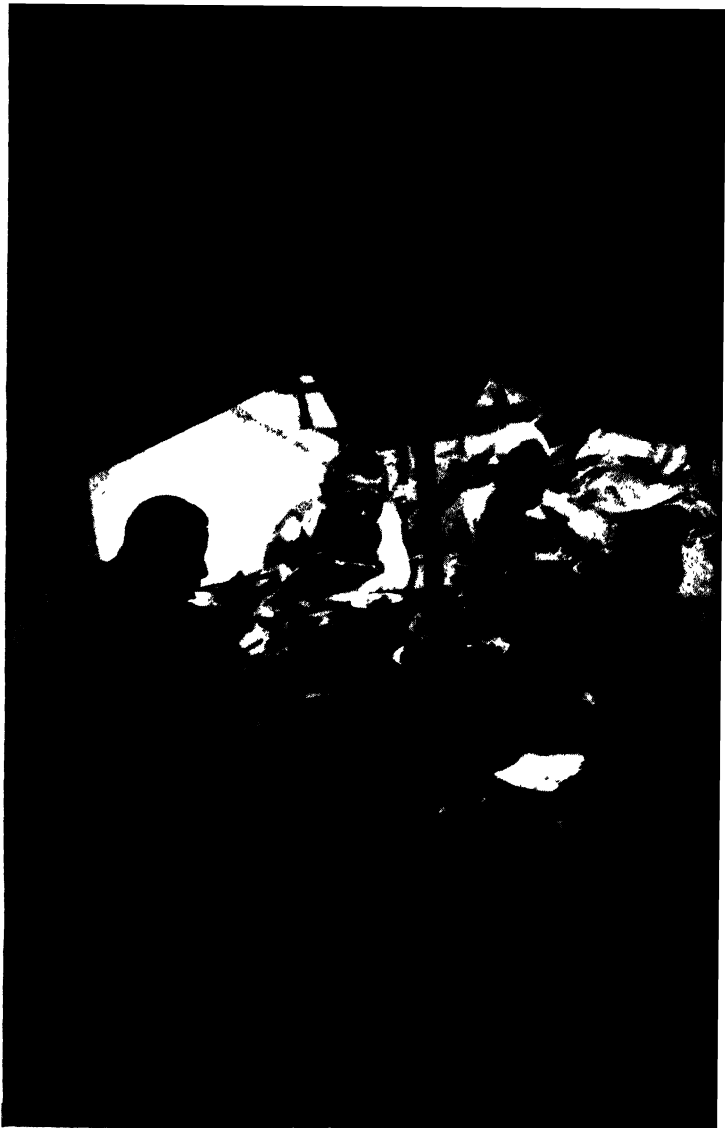
Just before the hostilities commenced in 1932 the Japanese led the foreigners on the Council and the consular authorities to believe that an attack on the Settlement by the Chinese was imminent, but there was not

the slightest bit of independent evidence of this threat. The defence of Hongkew, where Japanese interests predominate, was claimed by the Japanese, and the Settlement authorities weakly consented to this. As the basis of the neutrality of the International Settlement was that no belligerent might have armed forces in it, the international authorities in Shanghai in 1932 contributed to a breach of that neutrality by allowing armed Japanese troops to take up positions in Hongkew, within the Settlement, and to carry on operations against the Chinese from that neutral area.

The Chinese then took up the attitude, now admitted to be correct, that since "whatever condition of neutrality of the International Settlement may exist can only have been created by agreement or arrangement between the various Powers or States having political or other interests in the Settlement, such a condition of neutrality must be maintained by these same Powers and States." The Chinese therefore called upon the Settlement authorities to restrain the Japanese from using the Settlement as a base for operations against them. This request was not only logical but it was just. If the Japanese used the neutral Settlement as a base to attack the Chinese, it was only right that the Chinese should be allowed to prevent or nullify those attacks, even if it meant that they might attack the Japanese in that base. The neutrality of Shanghai, therefore, in 1932, collapsed like a pack of cards.

Yet the Japanese wanted it both ways.

At the end of the 1932 hostilities, in furtherance of the so-called neutrality of the Settlement, they insisted that the Chinese should demilitarize a zone twenty kilometres wide north of Hongkew. This arrangement is known as the Shanghai Truce. Having taken



The coolies in this improvised eating-tent were all killed by the bomb that dropped near the *Idsumo*. The picture was taken 15 minutes before it happened. *Page 39*

their stand on the point of neutrality, they themselves took no steps to respect that neutrality, and after hostilities ceased they erected those naval barracks at the north end of Hongkew to which we have already referred. Against this flagrant breach of the neutrality of the Settlement the Settlement authorities made no protest. Encouraged, the Japanese went further and stationed large numbers of bluejackets in Hongkew, at a considerable distance away from the water front, where, by reason of international custom and in order to protect their nationals and interests, foreign bluejackets in limited number have always been stationed.

The result of this pandering to the Japanese has been to make the whole of the Settlement north of the Soochow Creek for all practical purposes a Japanese concession; and though, when trouble started in August, 1937, the Shanghai Volunteer Corps manned portion of the area north of the Soochow Creek, the Japanese carried on their attacks on the Chinese from those very portions of the Settlement where the International authorities had their police and their troops.

On August 11, 1937, when the Third Japanese Fleet steamed up the Whangpoo, the flagship *Idzumo* took up its position within a few yards of the Soochow Creek, in the heart of the International Settlement, and together with other men-of-war commenced to bombard the Chinese positions on the 13th. The Chinese were known to have big guns in Pootung and near Châpei, and the Settlement authorities began to get perturbed and to regret the weakness of 1932.

On August 13 the Chinese Shanghai Military Garrison Headquarters stated that "if facilities are given by the Settlement authorities to the Japanese forces to use the Settlement as a base of attack, the

Chinese will act accordingly." This statement was amplified by Mayor Yui in a note to the Consular authorities handed to the senior Consul on the 14th, the day after the Japanese warships commenced firing. "I have the honour," Mayor Yui wrote, "solemnly to declare to the consular representatives of the friendly powers, that our troops will assume the responsibility of according adequate protection to all foreign life and property in areas under their control. I beg, however, to call your attention to an urgent matter, namely . . . to request that the Settlement authorities shall immediately restrain the Japanese forces from making use of the Settlement as a base of military operations. Otherwise, in the event of our troops being compelled to take such self-defence measures as may be deemed necessary for reducing the danger and harm caused by those armed forces in so making use of the Settlement areas, the Chinese government will not be responsible for whatever consequences may result therefrom."

The Chinese argument was a simple one. "If you allow anyone to shoot at us from your bedroom window, and we shoot back, you must not blame us if we happen to damage your house."

There were rumours of a Chinese air attack on Hongkew and on the Japanese warships lying in the river. But somehow no one took these rumours or the unequivocal warnings of Mayor Yui and the Chinese military commanders seriously . . . until, at about 10.30 on the morning of August 14, Chinese planes came out of the clouds and dropped bombs on the wharfs and in the river near the Japanese warships.

The tragic events of that day will remain long in my memory. I was in the vicinity of the *Idzumo* when the Chinese planes appeared. One of the

bombs dropped on a wharf near which I was standing. Fortunately for me (how futile this word "fortunately" seems after what I saw and experienced that day!) I was standing behind a pile of logs, and the impact of the explosion fifty yards away caused the logs to topple over and knock me down. For the moment I thought I was wounded because of the pain in my shoulder, but it was either my fall or the timber which caused the pain. I hardly heard the explosion but I saw the ghastly red flames leap up—in fact they seemed to come down from the sky before the bomb hit ground—and I felt the hot blast of air on my face. What possessed me to pick up my hat, I do not know, but I did and I ran, for other bombs were dropping. I did not see anyone injured on the wharf, but I learnt afterwards that nine persons had been killed, including six Chinese whose photograph I had taken some minutes earlier as they were eating in a tiny canvas-covered "eating-house."

I ran towards Broadway and there I saw a great crowd of maddened and terrified people rushing like a torrent towards the International Settlement, and their voices, screaming and shouting for their children, their small brothers and sisters, and their wives, filled the air above the whizzing bullets of machine-guns and rifles which seemed to be skimming our heads. Later I found a number of holes in my hat, the result either of splinters from the bomb or bullets.

I joined in the torrent and was swept on towards the Garden Bridge and over the Soochow Creek. Here I saw Japanese bluejackets who were on duty near the bridge trying to prevent terrified women passing. The crowd was pressing on. A few seconds later, on looking round, I saw one of the women bayoneted. She did not even scream, or I did not

hear her, though close by, and she fell in a heap on the ground. Later I was to read that a foreign observer saw four women bayoneted by the Japanese at that spot.

I reached the Settlement and made my way along the Bund. The air-raid had stopped and the anti-aircraft guns had ceased their horrible staccato popping. But dark puffs of smoke still hung in the sky where the explosive shells had burst and dazed crowds gazed curiously at them from the streets.

Meanwhile the torrent of humanity had spread into all the side-streets, like a flood of water into many channels, and the weak and the slow and the fallen were trampled and crushed in the stampede. Bundles of clothes and household utensils lay everywhere. A million people were stupefied and helpless, unable to think, stunned by the expectation of dreadful calamity.

This was only the foretaste, the beginning of catastrophe. Before that week was over I was to see women trying to sell their children for two or three shillings in order to buy food or to rid themselves of the responsibility of keeping them, while others walked distractedly about searching for those they would never see again. I was to see little cloth shoes lying in Avenue Edward the Seventh and tiny trousers and shirts half-burnt and torn from the bodies which had been crushed into pulp against concrete walls by the blasts of exploding bombs. I saw the terrible havoc of modern warfare, of aerial torpedoes and bombs, and of shells that fell into crowded streets, and a great metropolis in pain and fear.

It was at half-past four on the afternoon of August 14. A quarter of an hour earlier I had been on the roof of the Cathay Hotel taking photographs of the warships lying in the Whangpoo. Another air-raid

was on, and the planes seemed to be coming nearer, so I left. A little while later a bomb fell against the side of the hotel, shattering every window in the building, and another bomb fell on the Palace Hotel opposite, wrecking the inside of the fifth floor. About 150 people were killed. I did not see this slaughter, because I was walking along Avenue Edward the Seventh, near the Great World Amusement Palace, a large building where the Chinese found entertainment looking at plays and conjuring tricks and exhibits and pictures, paying twenty cents admission (about threepence) and going from entertainment to entertainment. There were many people inside and around this place, for the better-class refugees had nothing to do, no business to attend to, no thoughts to occupy them. And nearby the Municipal Council had arranged to house about four thousand refugees on the concrete floors of a half-constructed building. And garages round about were filled with people, their belongings strewn on the floor, the motor-cars having been removed to the streets. The corner of Avenue Edward the Seventh and Yu Ya Ching Road was exceptionally crowded this day, though always it is one of the busiest corners of the city.

I must have been about fifty yards away from this corner, watching a plane that seemed to be dodging the puffs of anti-aircraft shells which were exploding around it. It had turned sharply in its course, beaten off from its attack on the warships in the river, and was passing above the Great World Amusement Palace. It appeared for a moment to be about to crash, slipped sideways, then righted itself. I looked ahead up the street: A Chinese girl in a light-blue dress was talking to a man—she could not have been more than twenty—and I saw, suddenly, like some

dreadful surgical operation, her face blown away, cut off from the rest of her head, leaving a gaping wound; then her body collapsed like an unpropped, half-empty bag. The man next to her had disappeared, probably blown to pieces.

I saw heads flying in the air, and feet and arms, and red flames, and motor-cars enveloped in thick black smoke. I heard the dull thud of an explosion, and what seemed to be a moan from a million throats. I covered my eyes with my hands and half-leaned, half-fell against a wall.

If, in doing so, I appear not to have been very brave, I can only say I did what thousands of others would have done, civilians who are not used to war, who hate war, who cannot stand the sight of blood, and arms and legs torn from their bodies, and the dreadful slaughter of human beings.

I do not know how long I stood like that, but it must have been a long time. For a seemingly endless succession of thoughts rushed through my mind. I thought of home, of the people I know and of those who are dear to me. I thought of London, the London that half the world loves, and its millions of people. I thought of New York with its myriad gay lights. Last night Shanghai was lit up just like that. I thought of hatred, of Paris and Berlin and Moscow and Rome. I thought of the green fields of England, of the outbacks of Australia where I had been recently, and of the veld of South Africa, where I had spent my boyhood, its vastness and loneliness and calm. And I wanted to run away, to run away to quiet places, far from civilization, from crowds, from dead people.

And if you ask me: Were you afraid? I reply that I was. I was and am afraid of war. I am afraid of aerial torpedoes four feet long that float down from the sky.

I am afraid for the crowded cities and the little villages of China that even now as I write are being bombed. I am afraid of deadly gases that burn and choke and disfigure. I am afraid of the spirit in me which surged up and prayed that Chinese planes would fly to Tokyo and wipe out those millions of innocent people. I am afraid for London and Paris and Berlin and Rome. I am afraid of the armaments that have been piled up in every country. I am afraid of the anger that chokes up inside me against militarists and war-mongers. I am afraid for humanity.

The death roll that afternoon was twelve hundred. Later I helped to carry wounded to waiting ambulances and bakers' vans and rickshas. The dead were piled into lorries, thrown into them like so many mutilated carcasses of animals. I found a little Chinese boy whom I knew, a little friend who had acted as guide to me, shot through the breast. I saw a man on the ground stretch out his hands to me, and collapse. I returned to the hotel where I was staying, and told a servant to burn my suit. It was covered with blood.

That night, when I went to bed, near dawn, I could not sleep. I kept on seeing the face of that Chinese girl, wondering where it had gone to. A door banged somewhere, and twenty doors opened along the passage. I heard whispers: What was that?

Nerves were shattered.

A wind came up, blew hard. A typhoon was expected. I thought: There will be no more air-raids.

It was quiet. I heard only the wind, and a kind of moan. I did not know what it was, where it came from, to whom it was made. I saw a hand stretch upwards, a thousand hands, a million. Then I slept.

Next day, when I awoke, it was late, and the *Idzumo* was still lying in the Whangpoo, unharmed and imperturbable. Men were walking about on its deck as if nothing had happened, and its guns were still pounding at the Chinese. A few hundred yards away the Shanghai General Hospital was completing the evacuation of its patients and its staff, and nearby, at the British Consulate, people were busy removing documents and books. The Bund was deserted, all businesses and offices and shops were closed. In every street wooden barricades had been nailed against the shop-windows, and armoured cars, grim and menacing, were rushing about. The threat of looting and disease hung over the city.

Crowds of people were wandering about or sitting on the pavements, and the tear-stained eyes of many children were searching for the faces of their mothers and fathers. And still the *Idzumo* lay in the heart of the neutral International Settlement.

I read the official explanation of how a Chinese plane had come to drop the bomb—or two bombs—on Avenue Edward the Seventh. A Chinese plane—such are the tricks of war! Probably it was paid for by the very people it slaughtered.

The Japanese authorities said it was careless flying and blind bombing. But those same Japanese had fired at that plane, killed the gunner in it, wounded the pilot and shattered the bomb release. No militarist will say that they were not right in beating off an attack. Others will say that the commencing cause of the disaster is to be placed at the feet of those who invaded Hongkew, neutral international territory, who commenced operations inside crowded cities. But the thousand innocent people who lay dead were

not concerned with the rights and the wrongs of war, what neutrality and belligerency mean. No fine arguments can bring them back to life.

The war, undeclared as it still was, became more and more dangerous to the non-combatants in Shanghai. In one day more than a hundred civilians were injured by stray bullets and splinters from anti-aircraft guns.

In a few more days, shells from long-distance guns were to fall into crowded shops, one shell alone killing three hundred people.

The British and American Governments made "earnest representations" to the Japanese Government about the Shanghai hostilities. The Shanghai foreigners, this time correctly, said that "earnest representations" would not help. "Blow the Japanese battleships out of the Whangpoo," they cried. "Give them notice to move. If the Japanese ships weren't there, Chinese bombs would not be falling on top of us."

The French were more realistic. They did not make representations, but bluntly threatened to shoot at any plane, Chinese or Japanese, which flew over the Concession.

The Council proclaimed a state of emergency and enforced a curfew. Preparations were made to evacuate women and children to Hong Kong.

The Consuls in Shanghai protested to the Japanese Admiral and to Mayor Yui. The latter replied that as "the International authorities continue to allow the invading forces of the Japanese to use Hongkew and the River Whangpoo as a base of attack, the Chinese as a measure of self-defence must attempt to annihilate the Japanese."

Britain protested direct to Tokyo about the presence

of the *Idzumo* in the Settlement. The Americans protested to the Japanese Admiral in Shanghai, who then called on the United States Admiral Yarnell and was promptly snubbed.

To the British request Tokyo replied to the effect that Britain was asking Japan to do the impossible.

"The bombing of the Settlement by Chinese aircraft," said the Japanese Foreign Office spokesman in his comment on the London note, "is evidence of the ruthless Chinese determination to destroy Japanese lives and property in Shanghai. With almost fifty thousand Chinese regular forces threatening the Japanese there, the suggestion that Japan should cease invoking her right of self-defence is clearly unacceptable."

At the same time, on August 15, after a two-hour sitting, the Japanese Cabinet issued one of those official statements, a collection of which would form interesting material for scientific papers by the foremost alienists of Europe and America.

From the very outset [the statement declared] the Japanese Government called the attention of the Chinese Government to the desirability of the instant cessation of its challenging attitude and against interference with a settlement of the situation on the spot. For its answer the Nanking Government ignored the Japanese suggestions and reinforced its military preparations in flagrant violation of various military agreements. Thus the Chinese Government marched its troops northward, threatening the Japanese forces in North China. In addition, it assembled troops at Hankow, Shanghai and other localities, as further evidence of its challenging attitude. Finally, in Shanghai, fire was opened by the Chinese on Japanese forces,

while attempts were made to bombard Japanese war vessels.

Thus was the Empire insulted by the Chinese, who exhausted all illegal and outrageous acts in the process.

With the lives and property of its nationals threatened, the patience of the Japanese Government has now been taxed to the limit. It has now been compelled to take determined action to mete out retribution to the Chinese troops for their outrageous acts and to bring the Nanking Government to a true realization of the existing situation.

This course of action the Japanese Government naturally takes with great regret, for its policy has been the maintenance of peace in East Asia, based upon the prosperous co-existence of Japan and China. The constant aim of the Japanese Government has been Sino-Japanese co-operation. At this time it has no intention other than the eradication of the anti-Japanese movement in China. By eliminating from China the sources of the present state of affairs, the Japanese Government is seeking to bring to realization harmony and co-operation between Japan, China and Manchukuo. It goes without stating that Japan harbours no territorial ambitions, but is merely seeking to bring the Nanking Government and the Kuomintang (Chinese government political party), who are inciting the Chinese people to engage in anti-Japanese activities, to awaken to the realities of the situation. The Japanese Government harbours no enmity against the people of China. It also goes without saying that Japan will not begrudge her best efforts for the protection of foreign interests in China.

This document, as a serious, deliberate public statement, is one of the most hypocritical ever issued by the government of an intelligent people. That a government of militarists should be allowed by its own people to get away with a statement of this kind, however duped they may be by a ruthless censorship and political propaganda even more illuminating than this document, passes comprehension. The demand for a so-called "settlement on the spot" in North China, Shanghai and elsewhere, is a breach of international law and diplomatic practice, and against the existence of organized national government. The invasion of China, whether in the north or the east or the south, just as an invasion of Devon or Normandy or Texas would be the concern of Britain, France or the United States, is the business of the National Government of China, and not of local authorities with whom the invaders may wish to settle the matter "on the spot." Military preparations against a threatened or actual invasion, whether in Hankow, a thousand miles away from the point of invasion, or in North China or Shanghai, where Japanese troops have already invaded the country, is surely the elementary right of any government. It is not a "challenging attitude," but ordinary self-defence against hostile aggression. Nor has anyone who has lived in China ever seen Japanese lives and property threatened, except when war was actually raging in Shanghai. Japanese nationals, even while war was going on in the north, walked unmolested through the Chinese portions of Shanghai, Nanking and Hankow and Swatow and Canton. Peace in Asia has been broken by the Japanese regularly and consistently since the Great War, always accompanied by hypocritical statements about "peace in Asia," self-defence, co-operation and harmony.

The anti-Japanese movement, which admittedly exists, and exists strongly, has been caused by the policy of the Japanese themselves, by wanton assaults, murders, invasion, and aggression. Japanese territorial ambitions, always denied by the Japanese, are proved by her possession of Korea and Formosa, her conquest of Manchuria in 1931, of Jehol and of North Chahar in 1933, her control of East Hopei, her invasion of central Hopei, South Chahar and Suiyan, and generally by her policy of sending spies or plain-clothes men into every city in China to create disturbances, provoke incidents and cause commotion and unrest, so that she should be able to say that China cannot govern herself and that she has to invade China in order to maintain peace. These are facts which will be proved in this book. And as for foreign interests in China, one need only go to Manchuria and North China to see that nearly all foreign interests and nearly all foreign trade have been ruthlessly exterminated.

A perfect example of Japanese diplomacy may be seen in the attitude of the Japanese Government to the perfectly fair and reasonable offer of the British and French Governments to protect Japanese subjects in Hongkew. It will be remembered that "the protection of Japanese lives and property," was advanced as the main reason for Japanese action in Shanghai. I will allow Mr. Koki Hirota, the Japanese Foreign Minister, to tell in his own words the attitude of his government to the offer of the British and French Governments, an offer which, if it had been accepted, would have caused the Shanghai hostilities to cease at once, and so "localize" the war to North China, an aim which the Japanese have so often proclaimed. Let us see how frank Mr. Hirota is, what direct answer

he gave to a direct offer. In the Japanese Diet on September 7, 1937, he said:

Shanghai having been converted into a theatre of hostilities, grave concern was naturally shown by the Powers who had large amounts of capital invested and large numbers of their nationals residing in the city.

Great Britain notified both Japan and China under date August 18 that if the Governments of the two countries agreed to withdraw their forces mutually and agreed to entrust to the foreign authorities the protection of Japanese subjects residing in the International Settlement and of extra Settlement roads, the British Government were prepared to undertake the responsibility provided that other powers would co-operate.

Next day—on the 19th—we were informed by the French Government of their readiness to support the British proposal. The American Government had also previously expressed their hope for the suspension of hostilities in the Shanghai area.

Japan having as great interests in Shanghai as any of those Powers was equally solicitous of the peace of the city but as has been stated above, the action taken by the Chinese in and around Shanghai is plainly in violation of the Truce Agreement of 1932 in that they illegitimately moved their regular troops into the zone prohibited by that agreement and increased both the number and the armaments of the Peace Preservation Corps and in that relying upon their numerical superiority they challenged the landing parties and the civilian population of our country.

Therefore in reply to the British proposal our Government explained in detail the Japanese successive efforts towards a peaceful solution as

well as the truth regarding the lawless Chinese attacks, and stated that hostilities at Shanghai could only be brought to an end by the withdrawal of Chinese regular troops from the prohibited zone, and of the Peace Preservation Corps from the lines. At the same time our sincere hope was expressed that Great Britain as one of the parties to the Truce Agreement would use her good offices in bringing about a withdrawal of the Chinese troops outside the prescribed zone. Similar replies were sent to France and America.

This reply does not deal frankly with the main issue: "Let the belligerents withdraw from the International Settlement and we, the British and French Governments, will guarantee the safety of any Japanese in the Settlement, that is, in Hongkew." The Chinese agreed to this suggestion, but the Japanese said in effect, "No, there is a treaty which the Chinese have broken. Therefore *they* must withdraw. That is the only way hostilities can end. As for ourselves, we shall stay where we are. That is, we shall keep our troops in Hongkew, and our warships in the Whangpoo, and the fact that these places are international neutral positions makes not the least difference to us."

A hundred yards below the point where the *Idzumo* was anchored, the river bends to the east, and there other Japanese warships conduct their operations. Again Mayor Yui warned the Settlement authorities, and on Monday, August 16, the Chinese planes again came out and bombed the *Idzumo*. This time they got nearer, bombs falling on the pontoon alongside the warship and at the side of the Japanese Consulate, injuring several Japanese.

But still the *Idzumo* did not move.

And on the night of August 16, at about ten o'clock, there occurred an explosion which shook the whole city, which lit up the sky, which a number of us standing on the roof of a building a mile and a half away from the river thought had hit us and destroyed the building on which we were. A small launch had come down-stream under cover of night and released a torpedo, which was steered by a Chinese in the water and which exploded against the safety net of the *Idzumo*, blowing the Chinese steersman to pieces.

At 2 a.m. the next morning the *Idzumo* moved.

She moved down the stream so as to be protected by the bend of the river. The Settlement hailed her removal as good news, "because it places the vessel appreciably away from the Garden Bridge and makes air bombing and similar exercises less hazardous to the innocent bystanders."

But the Japanese were not to be outdone. "The *Idzumo* was moved for tactical reasons, in order better to be able to attack the enemy," the Japanese Admiral said. And promptly two Japanese destroyers moved up the river, almost alongside the Bund, quite close to the United States flagship *Augusta*. Next day the *Augusta* was hit by a shell, and a United States sailor was killed and eight wounded.

At last Admiral Yarnell got annoyed. What he told the Japanese I do not know. But they moved their ships.

In the Settlement itself things were looking black. Immense crowds had gathered there from Chapei, which was completely evacuated, from the countryside round about and from other cities, where it had been thought the International Settlement, neutral and guarded by foreign warships, would be safe.

There must have been a million extra people in the Settlement and the French Concession, the larger part of them in Frenchtown, for it was further from the scene of hostilities than the Settlement. And now problems of hunger arose, there were food riots, the hospitals were filled with wounded and dying, there were fears of epidemics.

The Volunteers and the French and British regulars and a handful of American marines were guarding the Settlement boundaries. Armoured cars patrolled the streets to prevent internal trouble. No praise is too great for the work done by these Volunteers and the Regulars—a handful of men guarding the Settlement from dangers within and without. Over the boundary roads Chinese and Japanese were fighting, bullets were flying haphazardly, and Volunteers and Regulars were hit. The first British reinforcements arrived from Hong Kong promptly, on the 17th, and were welcomed with joy. They were urgently required to help man the boundaries and relieve some of the Volunteers for patrolling the city, for the despair of the unfed, hungry crowds was growing.

Then came a touch of humour at the expense of the Americans which set all Shanghai laughing for a brief second; and the Americans also. On August 19 the wireless announcer of the *Shanghai Evening Post* came on the air. "We have good news for you," he said. We all thought that the war was over. "Twelve hundred United States marines have been ordered to ship from San Diego for Shanghai. We ask you all to keep calm and collected until they arrive, when they will protect the lives and property of Americans here. They will arrive in five weeks' time. Full details will be found in the noon edition of the *Post* which is now on the streets."

And sure enough, under banner headlines, there was—no, not a news item, but an editorial. “THE MARINES ARE COMING!” “They will look very good to us,” the editorial said. “It gives us new faith, new courage.”

The United States has no base nearby as Britain has in Hong Kong, or the French in Indo-China; nevertheless there were four American warships in the river, including the big ship *Augusta*, and if anyone saw the way in which the American and British sailors worked together, their good fellowship and harmony in guarding the Settlement and evacuating women and children, he would have thought they were the same people, the same nation, men almost of the same village, working together.

The French did their own job, looking after their Concession, though they sent up troops to relieve the tired Volunteers. One must have a great respect for the French in a crisis. I had always thought them excitable, but in Shanghai I found them calm and amazingly efficient. They seemed to leave nothing to chance; everywhere there were barricades, deep within the Concession itself, as if they expected to have to fight rear-guard actions, retreating against either Japanese or Chinese troops, who in their thousands might break through the boundaries with the intention of attacking the enemy in the rear or because they themselves were retreating. These were the two contingencies for which the Settlement and the Concession authorities were preparing.

In Hongkew there was a merry party. Japan's best propagandists, the *ronin* (in Japan they are members of secret societies, ex-servicemen, strike-breakers; in China they are used as “plain-clothes

men," spies and *agents provocateurs*) were running wild.¹ Armed with revolvers, swords, sticks and clubs, they were patrolling the streets, beating up Chinese pedestrians and looting Chinese shops. They broke all the electric globes in the streets so that there would be no light at night, and so that presumably they would have better facilities for terrorizing people. The Settlement police, who were still on duty in portions of Hongkew, were powerless to restrain them.

An American reporter saw a half-blind Chinese beggar almost beaten to death by these hooligans, who are supposed to be under the control of the Japanese consular police, and who are known to be an unofficial branch of the Japanese army. For instance, when snipers are about, the *ronin* are sent by the military authorities to set fire to the houses with tins of kerosene and when the snipers are forced to come out of the burning houses, the military shoot them down. In Tientsin a whole street of houses was thus set alight, and when the terrified inmates emerged, innocent women and children and old men, they were mown down by machine-guns. In Shanghai the kerosene gangs also did their work, but I am unable to say whether the atrocity of Tientsin took place on a large scale. It happened in one or two small instances. Only about fifty people were shot down in this manner in Shanghai.

Chinese ricksha-men, one of the poorest classes of men in the world, were continually being attacked by these *ronin* for no apparent reason. After their rickshas were searched—perhaps the *ronin* were still looking for the "thin man" of Sadao Miyazaki fame—they were given blows and kicks and told to leave Hongkew. The few shops owned by Chinese who

¹ These *ronin* are dealt with more fully in Chapter VIII.

had remained in Hongkew, trapped by the fighting that had broken out on the boundaries, were looted by these *ronin*; they helped themselves to whatever they pleased. If the proprietor protested he was hit on the head by a club. Whenever the *ronin* were questioned by some of the bolder Settlement police, they stated that they were looking for Chinese snipers. "They are a pest," the *ronin* ironically declare, "making life unbearable."

Thus does Japan bring peace, law and order to China, in their "heavenly mission" of pacifying Eastern Asia.

[REFERENCES: Daily English press of Shanghai, August, 1937, will corroborate most of the facts. On the 1932 war, Edgar Snow's *Far Eastern Front*; League of Nations Reports.]

PART II

IT HAPPENED BEFORE

A MISSION FROM PROVIDENCE

"Japan has absolutely no territorial designs or ambitions in China. The occupation by our troops of Manchuria is temporary only. Steps had to be taken as defensive measures. Our mission from Providence in East Asia is to bring Peace and Justice to that part of the world."—Quoted several times in December, 1931, by Japanese spokesmen, cabinet ministers and army commanders. (Repeated, officially, five times in July and August, 1937, with "Manchuria" changed for "North China.")

"The Imperial Japanese Government is determined to remain loyal to the League of Nations Covenant, the No War Treaty, other various treaties¹ and the two resolutions regarding the present (Manchurian) dispute."—Foreign Minister Baron Shidehara in a note to the United States, December 24, 1931.

Four Months Later

"Japan may never withdraw her troops from Manchuria . . . Japan will resolutely resist any attempt to apply the Nine Power Treaty to the situation here. We need not pay any attention to what the League of Nations may say, what the Soviet may attempt, or what China may plot."—Minister of War Araki, Tokyo, April 22, 1932.

¹ e.g. The Nine Power Treaty, 1922, signed by Japan also, agreeing to respect the territorial integrity of China.

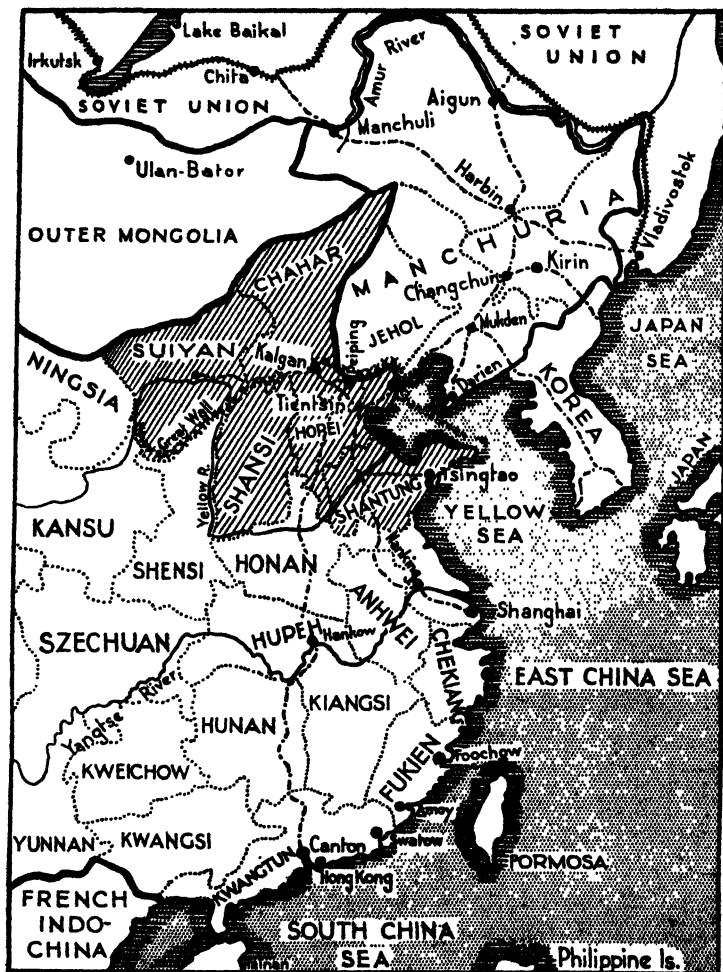
CHAPTER IV

1931: EXPLOSION ON A RAILWAY

THE area of Manchuria and Jehol, situated in north-east China, which is bounded by Soviet territory on the north, north-east and north-west, by Korea on the south-east, and by Outer Mongolia and Chahar on the west, is almost 500,000 square miles in extent. From the southern termini of the railway which runs northwards to Aigun on the northern boundary or Manchuli on the north-western boundary it is over a thousand miles. The State of Manchukuo, as the Japanese have renamed it, is, therefore, enormously large; larger than Germany and Italy combined; twice as large as France; and it is rich in raw materials and in its potentialities of producing raw materials. Its population is 27,000,000. The whole of the Manchurian part of this territory, five times larger than Jehol, was conquered by the Japanese in one week; it might be said without inaccuracy, in one night.

The capital of Manchuria, Mukden, is 150 miles from the Japanese port of Darien, and its chief towns are Changchun, 150 miles north of Mukden, Kirin, 80 miles further north, Harbin, 100 miles still further north, and Antung, a port, 100 miles south of Mukden.

At 10 o'clock on the night of September 18, 1931, an explosion occurred near Mukden on the South Manchurian Railway, in which the Japanese had a controlling interest. This explosion displaced a small piece of rail. The South Manchuria Express was



MAP OF NORTH CENTRAL AND SOUTH CHINA

The five provinces of North China are shown shaded.

Railways----- Trans-Siberian Railway —————

Provincial Boundaries Rivers —————

SCALE: 360 miles to 1"

due in half an hour, but the damage was repaired without the train being held up or its driver being aware that an explosion had occurred. It was, therefore, a trifling occurrence. But huge night manoeuvres were being staged that night by the Japanese army outside Mukden, and one can never be too sure of what is behind an explosion in such circumstances. It might have been caused by the Chinese in order to derail the South Manchuria Express, on which no important Japanese officials were known to have been travelling that evening. It might have been a signal to somebody, or the miscarriage of a plot of some kind. It might have been anything.

So the Japanese army took "defensive measures." I am not facetious; I am writing a serious work. That was the phrase used by the Japanese commander in an "official" bulletin—"defensive measures" to protect Japanese treaty rights won in Manchuria at a costly sacrifice of blood and treasure.

And what were these "defensive measures"? Within an hour of the "incident" the Chinese North Barracks in Mukden were taken by the Japanese, and 300 Chinese soldiers killed. Within two hours the port of Antung was occupied. Before the night was over Japanese troops were doing police duty in the streets of Mukden, the Chinese police when they turned up for duty next morning being informed that they had been dismissed. At 6 a.m., eight hours after the incident had occurred, Lieutenant-General Honjo, commander of the Japanese forces in Darien, had reached Mukden to establish his headquarters there. At 8 a.m. on the 19th, Japanese transports were sailing from Japan laden with troops. Simultaneously with the attack on Mukden, attacks were launched on Changchun, Kirin, and five towns on the South

Manchurian Railway. All of them except Kirin fell that night. Kirin fell two days later. The conquest of Manchuria was a fact; only mopping-up operations remained to be done.

What were the Chinese officers and troops doing at this time? In most of the above centres Chinese officers were the honoured guests of Japanese officers at dinner. When at about midnight, they prepared to depart, they were informed that they were under arrest. The Japanese had organized the "incident" well, and the Chinese had suspected nothing.

There was no question of trouble; war was unthought of. Did not the Japanese Envoy to China shortly before the incident took place make a public statement published in every paper that "the Japanese Government holds to the belief that settlement of any outstanding issues between the two countries will be effected through diplomatic channels instead of by force of arms"? The relations between the two countries were of the most cordial nature.

But an explosion! That is a different matter. Self-defence measures *had* to be taken. Yet China need not worry. "The military occupation of Manchuria," another official bulletin declared, "is temporary only. The whole affair must be regarded as a local incident, and will be settled by direct negotiation with the local authorities."

Who were the local authorities? China at that time was in a sad state of disorganization. The central government at Nanking had not established its authority sufficiently firmly in Manchuria, being too preoccupied fighting the Reds in South China. The local authorities in charge of Manchuria were in the pay and under the control of the Japanese military. Yes, there had to be local negotiations and

a local settlement. "Outside interference"—whether Nanking's or Washington's—"is not solicited," said the Japanese.

Local settlement followed some time later. Manchuria was Japan's. "Perceiving in the people of Manchuria an unmistakable desire to have an Emperor of their own, the restoration of the ancient dynasty has been decided upon, and Pu-yi, the heavenly cousin of His Imperial Japanese Majesty the Emperor Hirohito ("enlightened peace") will be placed on the throne of Manchukuo."

Who can say that the organization of the Japanese on the night of September 18, 1931, was not perfect?

[REFERENCES: Current daily press, Shanghai, *China Weekly Review*, *China Year Book*, Edgar Snow's *Far Eastern Front*; League of Nations Commission Report.]

CHAPTER V

1932: THE STORY OF THE FIVE MONKS OF SHANGHAI AND THE EXCELLENT DINNER OF ADMIRAL SHIOZAWA

EXACTLY four months after the Mukden incident, on January 18, 1932 (feeling was naturally bitter against the Japanese, whose temporary occupation of Manchuria had not yet ended, and a boycott of Japanese goods was in full swing throughout the country) five Japanese monks in Hongkew, members of the famous "Black Dragon Society," went, with their musical instruments, to a factory where thousands of Chinese were employed, and for some hours played their instruments and sang Japanese patriotic songs.

In Ireland, in the old days, one dared not wear an Ulster emblem in one's button-hole in the streets of Dublin. It was a punishable offence, as tending to create a breach of the peace. But the Chinese are a patient and tolerant people. There are no such laws in China. If Japanese monks care to sing songs about their army in Manchuria wiping the floor with the verminous Chinese, that is their own affair. But they occasionally ceased their singing and made offensive remarks to the Chinese factory hands gathered around them, and that was too much. There was a riot, and the monks were injured. The next day one of them died. An incident without a killing or a kidnapping, is no incident at all. But now one of the monks was dead, and fifty *ronin*

arch-patriots of Japan, armed with pistols, clubs and knives—and kerosene—set fire to the factory in front of which the musical display had taken place, killing two Settlement Police who tried to prevent the incendiarism.

One would have thought that the Settlement authorities would have presented a protest and a demand for compensation to the Japanese Consulate, under whose control the *ronin* were. But no, the Japanese Consulate presented an ultimatum to General Wu, then Mayor of Greater Shanghai, in which four demands were made: (i) an apology for the incident; (ii) the arrest of the assailants; (iii) payment of compensation to the injured; and (iv) suppression of the boycott activities and dissolution of all anti-Japanese associations. (It is beginning to look as though the "monk incident" was deliberate! In the technique of Japanese demands, the last item on the list of demands is always the most important. This should be remembered for future reference. Instead of making peaceful requests in the ordinary channels of diplomacy, Japanese demands are always preceded by an incident, followed by a demand for punishment, compensation and usually an impossible something else. For example, in the case of the shooting of Sub-Lieutenant Ohyama at the Hungjao aerodrome, a demand was made for the withdrawal of Chinese troops from the vicinity of Shanghai, so that the Japanese would have a free field; after the Lukouchiao incident on July 7, 1937, the list of demands eventually included the withdrawal of Chinese troops from Peiping so that Japan could take the whole province of Hopei.)

The Japanese demand to General Wu was referred to Nanking, the capital of China. No time limit was

fixed for a reply, though it was indicated by the Chinese that a reply would be given in about ten days.

On the day after the demand was made, January 21, Admiral Shiozawa came up the Whangpoo and anchored ten warships near the Bund. He announced his arrival by stating: "Unless General Wu unconditionally agrees to the demands, the Japanese Navy will take appropriate steps to protect the rights and interests of the Imperial Japanese Government." It is amazing how often the "rights and interests," "the lives and property" of the Japanese are mentioned in the statements of Japanese admirals and generals!

Twelve hundred bluejackets were landed that day and five more warships with seventy planes aboard anchored outside Woosung.

What, people asked, were the rights and interests of the Imperial Japanese Government that were threatened? Simple, said the Japanese. Nothing to do with the five monks. The 19th Route Army is stationed in and around Chapei. The International Settlement is going to be attacked.

What? Is that a fact? the Settlement authorities exclaimed. Of course, said the Japanese. Don't you know the Chinese yet?

Then we must arm, said the Settlement authorities.

Of course, you must arm, said the Japanese. You defend the western portion of the Settlement and we'll defend Hongkew.

Good. Agreed.

Now for the defence of the Settlement. On the 27th the Japanese-Consulate informed General Wu that a reply had to be received by 6 p.m. on the 28th.

"Yes," said Admiral Shiozawa in his famous *faux pas* to the press of Shanghai, "the Japanese Navy can blast the Chinese out of Chapei in 48 hours."

But the Shanghai newspapers of the 27th had already published information received from authoritative sources that the Chinese were going to accept all the Japanese demands unconditionally. Orders had been given by Nanking that all anti-Japanese associations were to be dissolved immediately. The headquarters of the Chinese National Salvation Association were actually sealed and the staff dismissed on the 27th. The 19th Route Army was ordered to withdraw from the vicinity of Shanghai within two days. So much for the good faith of the Chinese in actual performance of the more important part of the Japanese demand.

At 11 a.m. on the 28th, seven hours before the Japanese time limit expired, Admiral Shiozawa announced that on the morning of the 29th, "the Japanese Navy will take free action."¹

Why? the International Settlement authorities asked.

Because the Chinese are going to attack the Settlement, was the reply of Shiozawa.

What? exclaimed the Settlement authorities once more. Is that a fact?

And the mobilization of the Settlement Volunteers was set for 3 p.m.

At 2 p.m. Mayor Wu's secretary called at the Japanese Consulate and handed in the Chinese reply. Every demand was accepted unconditionally, "and we have already given orders for the liquidation of all anti-Japanese activities and associations and the withdrawal of the 19th Route Army, which was not

¹ This phrase was used also in 1937.

requested by the Japanese authorities, but which we are doing voluntarily as a gesture of good faith."

The Japanese Consul-General declared to foreign and local pressmen that the Chinese reply was "entirely satisfactory."

"Then there will be no Japanese military action?" he was asked.

"Not for the present," was his reply.

Admiral Shiozawa, I am told, used to dine well, and in European fashion. After dinner on the 28th, at about 8.30 p.m., he suddenly got worried. He rose from his table and paced up and down his room. Then he rang for a stenographer, dictated a statement, and handed copies of it to the Japanese and foreign press. "The Imperial Navy," he said, "feeling extreme anxiety about the situation in Chapei, where Japanese nationals reside in great numbers, have decided to send troops to this section for the enforcement of law and order in the area. In these circumstances I earnestly hope that the Chinese authorities will withdraw the Chinese troops now stationed in Chapei, and remove all hostile defences in the area by 12 o'clock to-night."

Something had gone wrong with the Admiral. All Japanese nationals had been evacuated from Chapei two days before. There was no disorder of any kind in Chapei, and the 19th Route Army was withdrawing, a large number already on trains going inland.

But what were such details to a Japanese admiral who had dined well?

By 11 p.m. special editions of the Tokyo newspapers were on the streets with this sensational declaration, an entirely new and unexpected turn in the course of affairs. We thought everything was settled, the man in the street said.

Then Shiozawa remembered something. "Dash it," he said in Japanese (I cannot be sure of the exact words he used), "I forgot to send the note to the Chinese. Well, there's an hour to go; they still have time to get out of Chapei." And he dispatched a messenger to General Wu, who received the note at 11.25 p.m.

At the League of Nations inquiry, the Japanese declared that they took this action, as well as that in Manchuria, as a measure of self-defence, and that they never did have any intention of invading Chinese territory anywhere. And there were some statesmen who believed them.

At 12 midnight the Japanese forces moved from Hongkew into Chapei, taking most of the Chinese by surprise. The 19th Route Army was immediately ordered to defend, and, under General Tsai, who became world-famous as the "defender of Shanghai," resisted valiantly for 34 days. They had hardly any equipment, and received no support from Nanking, because Nanking wanted operations to cease. The "First Shanghai War" taught China that Chinese troops *could* fight, and that Japanese invincibility was a myth. They had to bring up 55,000 troops before they could dislodge the Chinese troops.

This, then, is the story of the commencement of the Shanghai War of 1932, and the reasons the Japanese had for commencing it. Shortly after the end of the war, on account of world public opinion and serious representations by the Great Powers—since then the Japanese have learnt not to worry about these things—the Japanese withdrew from Chapei, but they lodged themselves firmly in Hongkew, which is part of the neutral Settlement area, thanks to the actions of the Settlement authorities.

Result of the "First Shanghai War" to the Civilian Population, According to Official Figures

Civilian dead	8,000
Civilian missing	10,000
Number of civilians whose homes were destroyed	240,000
Number of civilians thrown out of work for average of six months.	300,000
Estimated commercial losses in area occupied by Japanese	£150,000,000
Value of buildings completely de- stroyed	£24,000,000
Amount of damage done to fixed property by shells, etc.	£80,000,000
Damage done to educational authori- ties, partly included in above as far as property is concerned, adding loss of equipment	£14,000,000
Number of colleges wrecked	12
Number of Middle Schools wrecked.	17
Number of Primary Schools wrecked	49
Value of the new Oriental Library containing greatest collection in the world of original ancient Chinese classics—deliberately destroyed by Japanese bombers	Priceless

Thank you, Admiral Shiozawa!

[REFERENCES: Current daily newspapers of Shanghai, current *China Weekly Review*; *China Year Book*; Edgar Snow's *Far Eastern Front*, etc.]

CHAPTER VI

1933: *NO TERRITORIAL AMBITIONS BUT—A METHOD OF TAKE AND STAY*

FOLLOWING the so-called temporary occupation of Manchuria, the province of Jehol, nearly 100,000 square miles in area, was conquered by the Japanese in 1933, because, they said, all Manchurian territory should be brought under Manchurian administration. This argument would apply with equal logic to the whole of China, for all China, including Manchuria, was under the nominal or actual rule of the Manchu dynasty.

The National Government of China was not yet in a position to prosecute a war against the Japanese, and it withdrew the Chinese forces from Jehol without any serious resistance against the enemy.

But the Japanese did not stop at Jehol; they invaded and occupied North Chahar and North-East Hopei, as a "protective measure" against attacks upon Jehol and Manchuria in the future.

In order to show the world that they had no territorial ambitions, and were saving China from Communism and the "threats" of Soviet Russia, the Japanese established "The Anti-Communist Autonomous Government of East Hopei," and a local administration in North Chahar. But both these bogus administrations had as figure-heads Chinese traitors, such as the late notorious Yin Ju, for whose arrest for

treason a warrant had been issued by the Chinese Government and never withdrawn, and who was saved only by the presence of Japanese forces in Hopei. Japanese officials were in actual control of the administrations, Japanese troops garrisoned the territories, all laws and policies were determined by the Japanese Army, and a demilitarized zone south of these areas was enforced in preparation for a last and greatest drive southwards.

PART III

1934 ONWARD

INVASION BY STEALTH

CHAPTER VII

CENTRES OF ACTIVITY

THE reader now has some insight into the methods of the Japanese fighting forces and the Japanese diplomats, and will not readily accept at face value the Japanese allegation that all the incidents that have occurred have been caused by the "lawless acts of the outrageous Chinese." If there were any substance in this allegation, the Chinese, who are no fools, would soon have learnt that provocative and aggressive incidents against so powerful a foe as the Japanese did not pay; for each incident has been followed by the most appalling consequences to China in the way of loss of territory, loss of life, and humiliation. If there were any doubt about the whole matter, the application of the old Roman tag, *Cui bono?* (Who profited by it?) might settle that doubt. For the only people who have gained and gained enormously from all these incidents have been the Japanese; and by all the laws of international unmorality and militaristic ambition, with which qualities the Japanese commanders are liberally endowed, they ought to welcome these incidents with open arms. Indeed, they do, for the incidents have helped the Japanese militarists in their policy of building up a great colonial empire on the Asiatic continent, or, as they put it, in their "heavenly mission of peace and justice in East Asia."

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A deeper examination of Japanese methods in China will show that they have consistently worked along certain lines and followed certain well-defined policies. There is a policy of incidents. There is a policy of provocation. There is a policy of demoralization. There is a policy of take and stay, as exemplified in Manchuria, Jehol and East Hopei. There is a policy of organized smuggling of Japanese goods into China with the twofold purpose of monopolizing the Chinese market to the exclusion of European Powers and depriving the Chinese treasury of revenue in order to weaken her. There is the policy of the habit-forming drug traffic, part of the policy of demoralization. There is a policy of making agreements and then interpreting them in a special way, or of adding terms to agreements which the other party knows nothing about, or of gaining some kind of privilege from an agreement and expanding that privilege into rights which go far beyond anything ever contemplated. There is a policy of economic invasion which is quite different from the notion we generally have of economic penetration. There is a vast and well-organized system of secret agents, spies, "plain-clothes men," *agents provocateurs*. There is a systematic policy of bluff, aggression, arrogance and intolerance, part of which is for the benefit of foreign Powers, most of it against the Chinese. And all this is accompanied by pious declarations about "the pacification of Asia," "the maintenance of peace," "the heavenly mission of peace and justice," "chastisement of the outrageous Chinese," "the protection of the lives and property of Japanese nationals in China," and so forth. Behind it all there is the gloved hand and the smiling face of the immaculate and polished gentlemen of the East, but beneath the smiling mask

and the velvet glove there are fangs and sharp claws, and behind the pious declarations of the diplomats and generals there is the genius of the Japanese special secret service with an efficiency and a ruthlessness that make European intrigue Christ-like by comparison.

Let us look for a moment at one or two preliminary aspects of the policy of invasion by stealth. We have seen what happened in Manchuria, Jehol and East Hopei, how, after the paltry and ludicrous incident of an explosion which did no harm and the responsibility for which has not to this day been established, nor any attempt made to establish it, the Japanese took possession of vast stretches of territory in those provinces, and assured the world that the occupation was to be temporary only. Then they established a puppet Emperor in Manchuria and Jehol, and a bogus régime in East Hopei. This is what I call invasion by trick for, like larceny by trick, it is based on a trick. Another example is to be found in the Lukouchiao incident which started the hostilities in North China in 1937, and in the facts and policy leading up to that incident, to which a later chapter is devoted. A much more subtle method of invasion is to be found in the activities which centre around concessions, naval landing stations and consulates—invasion by stealth.

In China, what is known as a concession is an area of ground granted on lease or on other terms to a foreign Power. From this area of ground Chinese jurisdiction is excluded, and the grantee Power exercises its own laws over all persons in that area, even if they be Chinese. For example, in Shanghai the French have a concession, and this concession is administered by French officials and under French

laws. The French have their own police, their own soldiers, their own judges and magistrates, and collect their own rates. It is a little bit of France in China. The International Settlement in Shanghai, though not technically a concession, is administered by a municipal council representative of the Powers. It is a neutral international territory, kept open to the nationals of all the Powers, for purposes of trade. Here, also, China has no jurisdiction. Out of such territories and areas has arisen the doctrine of extra-territoriality in China, that is, territories *extra* Chinese jurisdiction. There is a British concession in Canton. There is a Japanese concession in Hankow, Tientsin and other places, and though the exact status of Japanese centres in various parts of the country is not always known, they have many such centres, some of them "concessions," some of them "leases," at some of them they have mayors and municipalities—it does not matter for our purposes what the exact status of these centres is; it is sufficient if we refer to them as "concessions."

The Japanese have many more of these concessions than the other Powers. Though they came on the scene later, because they rose to power later, they have by treaty, by grant and by a method of take and stay, established themselves in many parts of the country. Attached to some of the concessions are rights such as holding manœuvres. The Tientsin-Peiping area has such a right won by all the Powers from the Chinese after the Boxer Rebellion in 1901. This right will be explained later when the Lukouchiao incident is referred to.¹

In the International Settlement of Shanghai the Japanese have what is called a Naval Landing Party

¹ See Chapter X.

Station, where they are entitled to station a small number of bluejackets "to protect their nationals in Hongkew," a suburb of the International Settlement. In 1932, immediately preceding the troubles which occurred in Shanghai, the Japanese persuaded the Settlement authorities to allow them to defend Hongkew, and since that time Hongkew has been in all but name a Japanese concession, won, not from the Chinese, but from the joint International Powers. The Japanese acquired ground in Shanghai in the name of Chinese "traitors," built on that ground a naval barracks, fortified it strongly with cannon, anti-aircraft guns and all the paraphernalia of modern war—in the very heart of the so-called neutral International Settlement—used it as a pivot from where they staged demonstrations of naval strength, such as the manoeuvres of July 2, and the excursion of July 24, 1937, when Sadao Miyazaki, the missing man, was supposed to have been kidnapped by the Chinese. From here their armoured cars made sudden sorties into the peaceful streets of the Settlement, and often at night shots could be heard as the gentlemen of the naval brigade exercised themselves at manoeuvres.

It may be asked why the Chinese and the Settlement authorities allowed such things to happen. The answer is to be found in familiar examples of the conduct of a spoilt boy, and the conduct of an aggressive bully. The former is allowed to do many things, to break furniture and crockery, throw about books and generally make a nuisance of himself, because the parents find it more peaceful to let him have his way, or, having been lenient once, twice and thrice, they find that they cannot adopt a new attitude. The Settlement authorities made a mistake in 1932, when they were misled into allowing the Japanese to

establish themselves in Hongkew. Thereafter the naughty boy, knowing that determined steps would not and could not be taken against him without an international war, did as he pleased. And as for the example of the bully: what could China do? To insist upon the Japanese respecting the International Settlement also meant war. Such an insistence would have been termed (as it has been in other instances) "the grossest insolence by the impertinent Chinese," warranting "measures of chastisement." China had to sit and bear it, hoping that when it pleased the bully he would remove himself from her aching toes, hoping that one day she would be strong enough to be able to put an end to this aggression.

Thus Japan, not only in Shanghai, but in many places where Landing Stations were established, little by little, sometimes unobtrusively, at other times ostentatiously and aggressively, made inroads upon Chinese sovereignty, and prepared bases for warlike operations. At Tientsin, in 1935, they built barracks and a military airfield; at many of the stations northwards to Shanhaikwan they built military barracks. At Shanghai, at Tientsin, at Amoy and other places they held what can only be termed rehearsals for actual war. When hostilities broke out in Shanghai in 1937, before the Chinese or the Settlement authorities could do anything, the Japanese bluejackets had taken up positions all along Hongkew and 500 yards into Chinese Chapei, in exactly the same positions taken up on the night of July 24, when Sadao Miyazaki conveniently disappeared. These positions were of extremely important strategic value, and cut right across Chinese lines of communication, threatening railway junctions and rendering the dispatch of Chinese reinforcements most difficult. Truly is it

said that not for nothing do the Japanese take a course of action, even if, to be charitable, a bluejacket conveniently disappears.

In Hongkew the Japanese have their consular headquarters and their Japanese Club. These are, respectively, the centres of their political and secret service organizations, and of the activities of the *ronin*, the plain-clothes men of the Japanese Army and Navy. I have already dealt with the looting and terroristic activities of the *ronin* during the 1937 troubles in Shanghai. In the next chapter I shall deal in detail with the activities of the *ronin*, the system of spying and terrorization undertaken by these and other *agents provocateurs*, plain-clothes men and Chinese traitors in the pay of the Japanese special secret service. Nearly all this "special work" is directed by the secret service branch of the Japanese Army from the various consulates and concessions in China. The Japanese have spread a net throughout eastern, central and southern China, and it is my object to show in the next chapter the kind of work this section of Japanese activity had been doing during the few weeks preceding the outbreak of the North China hostilities and throughout the months of July and August, 1937.

Not only the Japanese concessions, but also the consulates, which under international law and practice are immune from Chinese Government interference and surveillance, have become the centres of a multitude of dangerous activities. Traders, genuine and otherwise, have followed the consulates, *ronin* have gathered around them; troops or bluejackets, for "protective purposes," have found their way to them. It is not to be wondered at that at Chengtu, capital of Szechuan, in the interior of China, there was a riot by common Chinese coolies when the Japanese, without official

permission, tried to open a consulate there. For even the ordinary, uneducated Chinese now know what these consulates mean: they bring unrest and incidents and war in their wake. They become centres for the destruction of China.

[REFERENCES: Private information supported by proofs advanced in Chapters VIII and IX.]

CHAPTER VIII

SPIES, TRAITORS AND AGENTS PROVOCATEURS

As a result of the policy of invasion by stealth and the political situation in Japan, the time was ripe in July 1937 to start a war in North China and to launch a campaign of demoralization throughout China. The line of action had been carefully prepared by the Japanese for some time past, just as the Manchurian campaign had been prepared, and it had been hinted at already by the uncontrolled activities of the *ronin* in many places, who, like dogs of war, had become impatient for action.

I am afraid that in this chapter, so incredible do so many of the facts appear, I shall have to resort to verbatim quotations from non-Chinese, *i.e.* British and American journals in Shanghai, which up to recently were not hostile to the Japanese, and certainly were not partial to the Chinese. My quotations come from the *North China Daily News*, the *China Weekly Review*, the *Shanghai Times* and the *Shanghai Evening Post*. All these quotations may be found in the papers mentioned in the short period between July 1 and August 15, 1937. Though newspapers are not always reliable, such a multitude of reports pointing the same way cannot all be wrong.

First, I shall deal with the activities of secret agents, spies, rumour-mongers, *agents provocateurs*, "plain-clothes men," traitors, "tourists," secret organi-

zations, and those charming gentlemen who commit sabotage, blow up bridges and powder-plants, and cut men's throats as a diversion.

July 28: Two men were executed for having wrecked a large transformer in Canton, plunging Sakuan and Shameen into darkness.

August 7: The Chinese Government is taking a very serious view of the dissemination of false information, causing uneasiness and even a growing belief that Canton will likely be bombarded from the air. Five of these rumour-mongers have been arrested for saying that the Japanese have seized the island of Nan-O off the Kwangtung coast. The magistrate of the Island states that everything is normal and no foreign gun-boats have called there.

August 6: Alighting from a south-bound train at Sinchi on the Canton-Hankow railway, five men wandered about taking a particular interest in the appearance of the headquarters of the 153rd Division. Guards took them inside for questioning but could get no intelligible answers from the men.

July 3: Large numbers of "traitors" have been sent from Tientsin to Taiyuan and Chengchow to collect military information and cause disturbances. Sixteen have been arrested by the authorities.

July 24: Two police officers and several policemen in Taiyuan, capital of Shansi, were badly injured by a party of more than ten Japanese who attacked the police-station. All window panes and doors were smashed.

The quotations given above illustrate the work of *saboteurs*, rumour-mongers, "plain-clothes men"

and *ronin* respectively. All were in Japanese pay.

Here we have a comprehensive report from the *China Weekly Review* of July 31:

An *agent provocateur* named Chen Kwang, who was employed by a "certain quarter" to disturb local peace and order was executed, July 22, by order of the Commander-in-Chief's headquarters of the 4th Route Army. He was caught while attempting to toss a hand-grenade in Canton. Four traitors who were engaged in espionage work in Chaochow, eastern Kwangtung, and were subsequently caught circulating forged banknotes in Changchow and Lungyen, southern Fukien, were also executed by the Chaochow military authorities.

Reports have been received that many spies have been sent by "certain quarters" to secure military secrets, photographs and maps in Changchow, Chuanchow and Amoy, south-eastern Fukien. The Fukien Provincial authorities have ordered the local military and police units to exercise strict vigilance against espionage activities.

By order of the Provincial authorities, special measures are being adopted in northern Kiangsu for the protection of railways, highways, bridges, telegraphs and other means of communication so as to prevent subversive elements from disrupting traffic. In cooperation with the local garrison troops, the Peace Preservation Headquarters at Hsuechow and Haichow are jointly attending to the duty of maintaining peace and order along the Tientsin-Pukow and Lung-Hai Railways.

To prevent traitorous elements from taking advantage of the disquieting situation to create trouble, a series of raids were made in Hsuechow by

military and police units between 4 and 10 a.m., July 22. More than 10 suspects were arrested and handed over to the Garrison Headquarters for examination.

Since the outbreak of the Lukouchiao Incident, spies have been active in the interior of Honan and Shensi, where, at the instigation of "certain quarters," they have been trying to secure military secrets and spy on troop movements. At Hsuchang, central Honan, a spy named Chin Shao-ching was arrested by the police on the 20th inst. Several photographs of fortified zones were found among his belongings.

A conspiracy, allegedly under Japanese instigation, to blow up with dynamite the railway bridges at Changsha, Ssulo, Nantsingkang on the Canton-Hankow Railway, has been unearthed as a result of the arrest of a "traitor" by railway guards at Ssulo, July 27, according to *Central News*. The "traitor," named Hsu Kuo-hsin, confessed that he belonged to a group of spies trained and sent out by Japanese to do espionage work and to destroy the communication system in the country. At the time of his arrest, he was making plans to destroy the railway bridges at Changsha, Ssulo and Nantsingkang before the end of this month. Other members of the group, he said, were scattered in Changsha, Canton, Heng-yang, Yuehyang, Shiukwan, Wuchang, Lochang and other big cities along the railway.

The use of the phrases "certain quarters" and a "certain country" is the result of the Chinese press law prohibiting newspaper reports likely to cause ill-feeling against foreign countries—actually Japan. Since hostilities commenced in North China, the news-

papers became more pointed in their references to Japan, *e.g.*

Many Japanese and Korean secret agents, disguised as "tourists," are extremely active along the Tientsin-Pukow, Lunghai and Peiping-Hankow railways, a *Central News* message from Hsuehchow, July 19, stated. Seeking to spy into military secrets and to buy over "traitors" to create local disturbances, scores of them arrived at Hsuehchow, Chengchow and Lienyun Harbor during last week.

Five "traitors" recently arrested at Changhsintien were executed by order of the Paoting Garrison Headquarters, July 15. Nine Japanese and Korean *ronin* in Shihkiachwang, including several women, were escorted to Tientsin and handed over to the Japanese authorities there on July 14.

The reason why the Chinese up to that time did not execute Japanese nationals was because they were still endeavouring to reach an amicable settlement of the North China incident. If a single Japanese national had been executed (and hundreds of them had been arrested even before the incident of July 7), the Japanese would have had an excuse for new aggression. Of course, it was a farce handing over these *ronin* to the Japanese authorities, for they were the very people who controlled and planned their activities—unless the Japanese shot the *ronin* for having been discovered in their secret activities.

It may be asked why so many Chinese were acting as "traitors," rumour-mongers and *saboteurs*? The answer, again, is to be found in the poverty of the Chinese. The Japanese pay comparatively good wages for this kind of work. There are also mal-

contents, hooligans and others, who would take on any kind of evil work. There are associations of bandits, kidnappers and reactionaries who welcome any kind of general disturbance.

"Another nest of the 'Long Hair Society,'" records the *China Weekly Review* of July 17, "a reactionary organization backed up by the authorities of a 'certain foreign concession' in Tientsin, was raided by the garrison soldiers at Anyang, north Honan, last week."

Now let us look at the more spectacular work of some of these gentlemen. In the powder-plant explosion near Chungking no proof has yet been established that this is the work of "a certain country," and caution in forming a conclusion based on general course of conduct or previous policy is advised.

*70 Killed and Over 300 Injured in Explosion Near
Chungking*

At least 70 lives perished and more than 300 persons were injured when the powder plant of the West China Development Corporation at Hsin Teng Kou opposite Chungking exploded at 3.30 p.m., July 17. So terrific was the explosion, the cause of which is still unknown, that more than 90 houses within a radius of three li of the factory were destroyed. Among the 300 injured were 40 soldiers. The damage incurred has not yet been ascertained. The manager of the factory was detained by the local authorities for questioning.

Four Chinese "traitors" were executed in Hankow, Aug. 3, by order of the Generalissimo's Provisional Headquarters on charges of being engaged in smuggling.

Six Chinese "traitors" who attempted to blow up the Yellow River steel bridge of the Peiping-Hankow Railway have been arrested and executed by the military authorities at Sinsiang, north Honan, a message from Chengchow, Aug. 9, stated.

Chin Hsing-fu, a Chinese spy in the employ of the Japanese military, was executed by order of the Tientsin-Pukow Railway Garrison Headquarters at Hsuehchow, Aug. 9. Chin, a young man of 27, and a native of Nansiang, was arrested by the local authorities while collecting military information along the Tientsin-Pukow Railway. He had subsequently confessed his crime.

I could fill a number of pages with quotations of the various kinds of incidents which kept on recurring in China. For a period of six weeks ending July 15, 1937, the different reports in the English press in China would have filled a large-paged newspaper of thirty-six columns. The tactics that were used to stir up trouble at the time that the East Hopei Autonomous Government was set up were being repeated not only in North China but as far south as Canton. In 1935 the Governments of both Great Britain and the United States commented on the activities of Japanese agents in North China. "Reports have been rife concerning the activities of Japanese agents," said Sir Samuel Hoare, British Foreign Secretary, in the House of Commons on December 5, 1935. "Whoever the agents may be," said Mr. Cordell Hull two days later, "whatever be the methods, the fact stands out that an effort is being made . . . to bring about a substantial change in the political status and the condition of several of China's northern provinces." Responsible statesmen do not make such accusations without being

on firm ground. "The American Government is closely observing what is happening there," Mr. Cordell Hull, the United States Secretary of State, added.

I managed to obtain a certain amount of private information regarding Japanese methods in employing agents. It naturally is easier to work in China with people who would not be suspected by the Chinese, that is, by winning over Chinese agents, training them and paying them well. The Japanese seek out intelligent unemployed persons and offer them a definite salary and bonuses for certain work done. In central China, around Amoy and Canton, the Japanese employ Chinese from their own colony of Formosa, where they have a naval base. These Formosans can speak the dialects used around Amoy, and therefore can work easily amongst the Chinese. Similar methods are adopted in other parts of the country.

At Amoy a hundred mows of ground were bought for the ostensible purpose of running a dairy farm, and in fact this dairy farm until recently (if not at the present moment) was carrying on its activities under the energetic supervision of Formosans and local Chinese traitors, but the substantial buildings of the dairy farm were also used as a depository of armaments and could be used as a barracks. This information came to me from a Chinese who had actually been employed on this farm, who had assisted in purchasing it, but whose conscience made him escape when the present hostilities broke out.

From Formosa all kinds of activities are carried on. Smuggling is a large-scale business (I deal with smuggling in the next chapter), and the most up-to-date launches and small steamers are used for this

business. The Chinese customs launches are decoyed by a smaller craft, which is allowed to be caught, so that the larger craft may make safely for their destination. Even English cigarettes are in this way smuggled into Hong Kong from Formosa via Amoy or Foochow and across land, so as to avoid the tax on cigarettes in Hong Kong. This information came to me from a man who carried on the business.

Hong Kong itself is not free of the spying activities of Japanese agents. Last May there was a terrific explosion in Hong Kong harbour, when a Japanese launch was blown to pieces. The Japanese said that the launch's boiler burst, but experts pointed to the fact that the deaths of the Japanese crew and of others all pointed to a gunpowder or dynamite cause of death, and not to a boiler explosion. A Chinese told me that there is a secret ammunition warehouse in Hong Kong.

The last four paragraphs, unlike the previous portions of this chapter, contain facts which I cannot substantiate by independent reports, such as newspaper articles in responsible papers. They should be taken accordingly.

The fact that towards the end of July and the beginning of August, 1937, the Chinese Government was executing about a hundred traitors a day testifies to the extraordinary extensiveness of the activities of these secret agents and traitors. So diverse and widespread were their activities that stringent measures had to be taken. They were engaged not only in sabotage, but in spreading false information in order to cause dissatisfaction amongst the population, or panic, *e.g.* by saying that the water-supply in certain towns was poisoned, or that an air-raid was about to take place, causing all shops to be closed and barri-

caded, and business to be suspended. Sometimes the radio is used for spreading false information, as the Japanese have their own radio stations in North China, and they use wave-lengths employed by the Chinese broadcasting stations.

The activities of the *ronin*, apart from the more gentlemanly activities of espionage and sabotage, have been described by two well-known and reliable writers.

Freda Utley, in her remarkable book, *Japan's Feet of Clay*,¹ writes of the activities of the *ronin* in Japan. "The Black Dragon Society," she says, "is to-day an 'upper class' *Soshi* or gangster society, and its members like to be referred to as *ronin*." (In China the word is synonymous with the word hooligans.) "Under its influence and control are many of the lower class *Soshi*, the gangsters, thugs and roughs who are used as strike-breakers, as assassins, as bullies to intimidate liberals, radicals and socialists, or as blackmailers when funds are required by the 'patriotic' societies which dispose of their services. They break the windows and smash up the office furniture of newspapers which they consider to have shown signs of liberalism or having been lacking in patriotic fervour. They beat up individuals and engage in general hooliganism without interference by the police. The police usually neither desire nor dare to interfere, so that murder and violence go unpunished. The Japanese *Soshi* of to-day are a kind of cross between the old *ronin* of mediæval Japan and Chicago gangsters, ranging as they do from assassins and thieves and blackmailers ready to commit any crime for money and hired through a 'violence

¹ Quotations from this book are by the kind permission of Messrs. Faber & Faber, Ltd.

broker,' 'to strike-breakers and 'patriots' who commit murders at the instigation of the priests or politicians or of the highly placed bureaucrats who are the leaders of the reactionary patriotic societies. The superior sort will, upon occasion, even patriotically cut open their own bellies in some public place in protest against the unpatriotic acts of plutocrats and politicians, or the 'weak' foreign policy of some statesman or other. . . . The Black Dragon Society is the secret agency of the War Office abroad, and is generally supposed to be financed by the latter's special military intelligence fund. . . . Its activities were found useful in executing secret work in China, India or Russia which the War Office could not itself openly undertake. According to the Chinese press the paid agents of the Black Dragon Society are to be found 'all over the Chinese landscape.' Disguised as traders, etc., they get acquainted with the whole country and are ready when the time comes to act as guides and map-makers. When an incident is required as an excuse for further Japanese aggression they are on the spot ready to supply it. One example of this," continues Miss Utley, "is the Nichiren priests who were made the excuse for the Japanese attack on Shanghai in 1932. . . . They act as irregular troops in warfare, both to assist the army in fighting and to perform dirty work of a kind which, if carried out by regular troops, would bring disgrace on the Japanese army and an outcry from the civilized world. For example, in 1932 in Shanghai, whilst the Japanese marines were trying to take the whole Chinese city, the *ronin* took over all the ordinary police functions in Hongkew, the Japanese section of the International Settlement. According to many foreign correspondents they there indulged in an orgy of banditry, kidnapping, murder and brutal

intimidation, burning the houses of merchants and tradesmen who had refused to trade with the Japanese, abducting or murdering civilians, men, women and children."

These things seem incredible to people who have always regarded Japan as a great civilized country of law and order, the "Empire of the Rising Sun whose mission upon earth is the pacification of Asia, and the bringing of justice and peace to China." But these things are true, and I myself have seen some of the things described which occurred in Shanghai in 1937. There is a historical reason for the existence of these *ronin*.¹

Let us now read what Mr. Edgar Snow, the correspondent of the *New York Sun*, writes about the *ronin* in Shanghai in 1932, words which could be repeated in describing their 1937 activities. "The [Japanese] bluejackets," Mr. Snow writes in his book, *Far Eastern Front*, "could not take Chapei but the *ronin* took Hongkew. They disarmed and often arrested Settlement constables, taking them to naval headquarters, where they were detained. . . . They captured and abducted Chinese civilians, men living under the protection of foreign authorities, and took them sometimes to naval headquarters and sometimes into back alleys from which they did not return alive. On various Hongkew roads I saw *ronin* entering Chinese homes, yanking out men, women and children, piling them into motor-cars and making off with them. I saw one group break into Chinese shops and stores along North Szechuan Road and (because these people had refused to buy Japanese manufactures) help themselves to the stock. Others went from shop to shop armed with bundles of straw and tins of kerosene.

¹ See Chapter XIV.

Settlement police were powerless to halt these excesses. Even foreign police officers were intimidated by the armed and hate-maddened gangs, who were protected by bluejackets with bayoneted rifles and machine-guns. During the days that followed outrage piled upon outrage; cases of banditry, kidnapping, homicide and brutality were successively reported against the *ronin* and later authenticated by written testimony.”¹

From these statements it will be seen that what I have written in an earlier portion of this book about the *ronin* has been studiously moderate. I have not described one half of what I have seen, and should any doubt still be left in some minds, I refer those to the daily English press of Shanghai during the month of August, 1937—a press until then not by any means unfriendly to the Japanese.

We may now understand how easy it is for incidents to arise, “even accidentally.” We may perhaps understand the mentality that wantonly makes war upon innocent civilians, that proclaims a policy of “bombing the whole of China.” We may understand why motor-cars containing foreigners are shot at by machine-guns from the air, why trains crowded with refugees are bombed (in the case of one train in early September 300 were killed), and why, when protests are made, the blame for some of these crimes against humanity is placed upon the Chinese. For the Japanese have a deliberate policy of provocation, terrorization and demoralization, and often many incidents are followed by pre-prepared phrases of blame against the “outrageous Chinese” for home and foreign consumption.

[REFERENCES: Quoted in the text.]

¹ Quoted by kind permission of the author and of Messrs. Jarrolds, Ltd.

CHAPTER IX

THE DRUG TRAFFIC, COUNTERFEITING AND SMUGGLING

I THINK I have given sufficient examples of the work of spies, traitors, *ronin* and others. In these reports it will have been noticed that mention was made of circulating counterfeit bank-notes and of smuggling. The Japanese believe that the activities of the above-mentioned gentlemen should pay for themselves; indeed, that these activities should become not only the cause of the demoralization of the Chinese people, not only the cause of great loss to the Chinese revenue, but also a source of great profit to themselves. These seem to be astonishing charges, and they are made with every realization of their seriousness.

It is the official policy of the Chinese Government slowly to stamp out the evils of opium-smoking, and all trade in such drugs as heroin, caffeine, morphine and so forth. It is a slow and difficult process, and caution is required in weaning people who have for years been addicts. The Chinese Government, therefore, is proceeding in slow stages, but no more poppy growing is allowed. It can be imagined what inroads the drug-taking habit has made into the health, physical and mental, of millions of Chinese.

On the other hand, it is the policy of the Japanese to foster and encourage the distribution of drugs; it has a two-fold result: it continues the demoralization or degeneration of large numbers of Chinese, and it

earns a great deal of money for the promoters of this trade. In Manchuria and East Hopei, poppies are being planted and grown by the Japanese or by people under their control.

Furthermore the Japanese are printing counterfeit bank-notes, besides importing Manchukuan notes into China.

Lastly, the Japanese are carrying on an extensive and well-organized system of smuggling manufactured goods into China, under official auspices, in order to allow their already very cheap goods to gain an absolutely unchallengeable position in the Chinese market and at the same time to weaken China by depriving her treasury of much-needed revenue for reconstruction purposes and for military preparation against Japanese aggression. It will be seen that all these activities are part of Japan's offensive against China. On every front, by every conceivable means, she is bent upon the destruction of China.

To any one who has studied the problem, and as I shall show by reference to official reports, it is clear that the Japanese have become the world-suppliers of narcotic drugs, and through the activities of their organizations in Manchuria, Jehol, North China, the Japanese island of Formosa and the Japanese colony of Korea, unfortunate drug addicts in the United States of America, in Europe, and in other parts of the world are able to obtain their supplies of opium, heroin, morphine and other drugs. From Tientsin, Darien, Shanghai, and from Japan, there is a constant stream of smugglers, mostly nationals of the United States and European countries, who, attracted by the large profits in the business, travel back and forth carrying the evil drugs, sending them concealed in cargo, in luggage, and even in air-mail packages.

While the police officers of Uncle Sam make bonfires of confiscated drugs, more and more come across the ocean and larger and larger grows the trade.

In China the Japanese have kept the field, the most profitable of all, to themselves, working with subsidiary Chinese organizations. But profit alone is not the sole motive of the Japanese. The *China Weekly Review* in an editorial article on July 24, 1937, quoting an unnamed American writer, put the position correctly when it stated: "In Manchuria the Japanese warlords have fostered the production and international traffic in opium, morphine, heroin and other habit-forming drugs, recognized as a world menace, but which the Japanese refuse to discontinue because of the money-realizing possibilities and value in the subjugation of native populations."

Recently the Chinese Government has taken drastic steps to put an end to the evil, and imposed the death penalty for traffic in and use of narcotic drugs. The laws governing the suppression of the drug evil aim, as I have stated, at eradication by a gradual process, for it is realized that in a country where drugs have been so generally used for so long a time, it would be difficult, and possibly cruel, to stamp out their use overnight. Six years is the limit fixed by the Government.

So serious is the attitude of the Chinese Government on this question, that in 1935 General Chiang Kai-shek himself was appointed Director-General of the National Opium Suppression Commission. Since the beginning of 1937, ninety-seven persons have been executed for manufacturing and trafficking in narcotic drugs. Twelve provinces are now free of poppy-growing, and poppy-growing is being suppressed rapidly in the other provinces.



The warship is the Japanese flagship *Idzumo*, lying in the Whangpoo. This photograph was taken about half an hour before the ship was bombed on August 14. Page 39

But the evil has its greatest strength in places where the Chinese Government is unable to attack it. According to reports placed before the League of Nations Opium Advisory Committee recently (June 11, 1937) the area used for poppy-growing in Manchuria has increased considerably, the revenue derived from a culture of the opium poppy is up 28 per cent, and East Hopei (which, it may be remembered, is under the administration of a Japanese controlled régime) has become "the centre of the world's most extensive manufacture of illicit heroin." According to the same reports 90 per cent of the world's narcotics are of Japanese origin, and every week 500 kilograms of heroin are shipped from Japanese wharves in Tientsin to foreign countries, 60 per cent of it bound for the United States. In the small district of Changpei (in North Chahar) there are 131 shops owned by Japanese and Koreans selling heroin and morphine. Just as the Japanese use Formosans in Central and South China, they use Koreans in North China.

To indicate the difficulties of the Chinese Government, nothing more is required than the report of the Foreign Policy Association of New York in March, 1937. "Machinery previously used in Jehol for making heroin," says the report, "is being shipped south into the Peiping-Tientsin region, to be closer to the areas of consumption. In the City of Tientsin and its Japanese Concession [the population is nearly 2,000,000] it is estimated that one person out of every ten is a drug addict. One raid [by the Chinese authorities] in the summer of 1936 netted machinery for making drugs and U.S. \$90,000 worth of narcotics owned by the Japanese Transportation Company. Three hotels in the Japanese Concession were reported to contain 120 smoking and selling joints. . . .

Seventy drug joints, exclusive of the government hong[s] [organizations] located mostly near the Japanese Legation Guard in the East City, were supplying the 60,000 drug addicts of Peiping. A raid in January, 1936, resulted in the arrest of 654 persons in the Chinese sections of Peiping, including Japanese, Koreans and Formosans." The words in brackets have been added by the writer.

In the port of Amoy, where the Japanese were always strongly entrenched, there were 323 opium dens, and in Foochow 390, all owned or controlled by Japanese or Formosans. In Shanghai, when a detective of the Narcotic Section of the Bureau of Police tried to arrest a drug trafficker, he was seriously wounded by *ronin*. In Greater Shanghai, in a drive by the Chinese police, 100 traffickers were arrested in two days.

On July 31, 1937, in the *China Weekly Review*, the following signed report appeared:

Japanese Maintain Three Narcotic Factories in Hankow
By S. Y. Chi

Hankow, July 19, 1937.

While friendly powers, under the convention of the League of Nations, are adopting stricter measures to curtail the spread of the narcotic evils in general, and in China in particular, nationals of a "certain country" are reported to be continuously indulging in their illegal pursuit of manufacturing and sale of narcotics in the concessions in the various parts of China where they enjoy the protection of extra-territoriality, in spite of their pledges to suppress the contraband. This condition is further vindicated by an authoritative report carried in the vernacular papers stating that there are three large narcotic

manufacturing factories, which are owned by the nationals of a "certain country" in the Hankow concession, capable of turning out an enormous quantity of morphine, heroin and red pills.

The first factory, founded with a capital of \$100,000, is capable of turning out 78 ounces of morphine a day, which is sold at \$34 per oz. The factory itself is guarded by five armed police of a "certain country." The second one has a daily output of 40 oz. of narcotics and maintains nine wholesale stores, which act as agents of distribution in Wuhan cities and also for Honan and Kiangsi provinces. Both are manufacturing morphine and heroin.

The third factory, which is the largest in China, second only to the narcotic plant in Tientsin, is devoted particularly to the manufacture of "red pills." It has a large daily output of more than 1,000 ounces; that means several tens of tons per year. The pills are sold at \$3 per oz. The factory employs nine pharmacutists and a batch of 15 salesmen. All of them, according to press report, are being given proper consular protection.

The same report revealed that a narcotic smuggler was recently caught at Yincheng, west of Hankow, on whose body was found a packet of 15 oz. of narcotics, which was identified to be a "certain country's" manufacture. The convict admitted that drugs of the same kind have been constantly smuggled to the rural cities by bus.

On August 8, following the sudden and enforced evacuation of Hankow by the Japanese, this startling report was confirmed by the discovery in the Japanese Concession of a huge plant for manufacturing drugs, as well as a complete plant for counterfeiting Chinese

coins and banknotes. A few days later photographs of these plants appeared in every paper in Shanghai. Thus, in the very hearts of Japanese Concessions, in Hankow and in Tientsin, nefarious activities aimed at weakening the Chinese vitality and the Government currency were being carried on by the Japanese under official protection, for, from the size of the plants, it is impossible that the Japanese consular authorities did not know what was going on, apart from reports that these authorities themselves control the drug traffic and counterfeiting activities.

In Foochow, where a big opium raid had been conducted, and a large number of arrests made, to quote from the *China Weekly Review* of July 17, 1937, "upon the request of the Japanese Consul-General, several captured persons, who are not important offenders, were released." It was alleged that the ring-leader, who was arrested, was watched for some time by the Chinese authorities because he was suspected of being in the pay of the Japanese Government and carrying on not only an illegal opium traffic from Formosa but other and more serious activities "detrimental to the interests of the nation."

Many other instances can be given, but it will be sufficient if I quote a description of the horrible effects of the drug habit on the unfortunate people who fall victims to it and eventually take their lives, usually by drowning, a description by a Chinese gentleman, long a resident of North China, which appeared in the *China Weekly Review* of August 7, 1937, and in the English papers of Hong Kong a week earlier.

The opium evil in North China has a history of over 100 years, he said, but never has it been so serious and gloomy as the situation is at present.

Although the Nanking Government is taking drastic measures to suppress the evil, the places of which I am speaking are beyond their control, as another country is involved.

Tangshan, an industrial town in East Hopei, Tientsin and Harbin were the cities in which he noted particularly deplorable conditions. Most of the Chinese who frequented the infamous "yang hong" (literally, foreign firm) are only semi-literate, and therefore not likely to realize the dangers of the habit they are acquiring. At first they are given the drug free, and they are attracted by the beautiful waitresses and gambling. But as soon as the habit begins to exercise its compulsion the price starts to soar, and many of the addicts find themselves going without food in order to save enough money to pay for the drug.

Conditions in Tangshan and Tientsin were very much the same, he declared, although the opium evil in the latter city has been dramatized by the finding of so many corpses this spring floating on the Hai Ho. In Harbin the conditions are worse, for it is estimated that 30 per cent of the Chinese and Russian population are opium addicts. A certain amount of pressure is applied to use the dope, he believes, because the opium addicts are better protected by the police, and thus have less chance of being suspected as bandits or anti-Japanese elements.

Counterfeiting activities took on such large proportions that the Chinese Government had to take special steps to combat the evil. The method of the Japanese was to pay the *ronin*, spies and agents in this counterfeit money, so that they became active in distributing the notes and coins for their own sakes. In many

Japanese factories in Shanghai, Chinese workers were paid in money turned out by government printing presses in Manchukuo, until the workers threatened to strike and the Chinese Government took action to prohibit this practice.

Hand in hand with the manufacture and smuggling of drugs, and the circulation of counterfeit money, a vast system of organized smuggling of Japanese rayon and other manufactured goods was being carried on under Japanese Government supervision from the Japanese controlled portions of North China, Jehol, and Darien. These smuggling activities have drawn official protests by the Chinese Government, protests which were always ignored. The Japanese also smuggled silver out of the country, the exportation of silver, on which the Chinese currency system is based, being prohibited by law.

The way was opened for this smuggling by the Japanese military and naval authorities insisting that Chinese customs guards and vessels were to be unarmed, and later, that customs vessels were not to patrol the coast adjoining certain demilitarized areas on the mainland. This enabled goods to be landed without difficulty. Then the Japanese inspired the bogus administration of East Hopei to impose a nominal tariff of its own, and as this territory was part of China, and the Chinese claimed it as such, and never recognized the Japanese claim to it, it was asserted that the Chinese Government had already taxed the goods. It was easy to flood China with these smuggled goods from that area. A detailed description of Japanese methods will be found in Dr. Hsu's book, *The North China Problem*, published in Shanghai in July, 1937.

The *China Year Book*, 1936, contains a report by

the Chinese Maritime Customs dated June, 1935, in which the following appears:

"Commercial order has been reduced to chaos by the staggering amounts of illicit cargo thrown daily into the area (North China), quantities of which are gradually finding their way through the media of railways to other parts of China, undermining trade and depleting the national revenue on which China's loan service and credit depends." The report openly states that the goods are brought into China via Manchuria and the Japanese port of Darien, and that the Japanese are responsible for reducing the Chinese customs in North China to a state of impotence, thus injuring foreign powers whose loans to China are secured by the customs revenues.

[REFERENCES: League of Nations Opium Advisory Committee's Reports, June, 1937; Foreign Policy Association's Report (New York), March, 1937; *China Year Book*, 1935, 1936; daily English Press of Shanghai, June-August, 1937; *China Weekly Review*.]

"How often have I heard the British and French delegates at Geneva mention 'aggression and imperialism,' but you should realize that our annual increase in population amounts to a million. You must not choke this country Japan, which should be given the right to live. . . .

"The principles of peace and humanity are meaningless in the East. Believe me, only a policy of prestige counts in China. Japan is sincerely seeking Chinese friendship to be permitted to be one of the countries to enjoy a safe and free trade. We are not stupid enough to want to conquer China. It is an enormous, over-populated country."

—Japanese Ambassador to France, in a press interview, August 8, 1937, Paris.

"Japan has no intention of antagonizing law-abiding Chinese people, nor has Japan any territorial designs . . . but the Japanese Government deems the maintenance of peace in East Asia as its mission."

—Spokesman of the Japanese Cabinet, July 27, 1937.

"The Japanese Army is composed of men who are honest and truthful to almost a foolish degree. Therefore when General Sung, commander of the Chinese troops, came to us and apologized (for the Lukouchiao incident) . . . and said he would do everything to satisfy us, we thought in the innocence of our hearts that the Chinese had a considerable degree of sincerity. . . . But the 29th Army is worse than a band of bandits. . . ."—As one commander to another—General Katsuki, Commander-in-Chief of the Japanese Army in North China, August 3, 1937. A fuller quotation of this classical statement is given in Appendix III.

"For the sake of our national prestige and also for the sake of securing peace in the Far East, we must obtain Chinese apologies for the recent outrages in particular and for the entire anti-Japanese movement in general."—General Sugiyama, Minister of War, to the Japanese Diet on July 27, 1937.

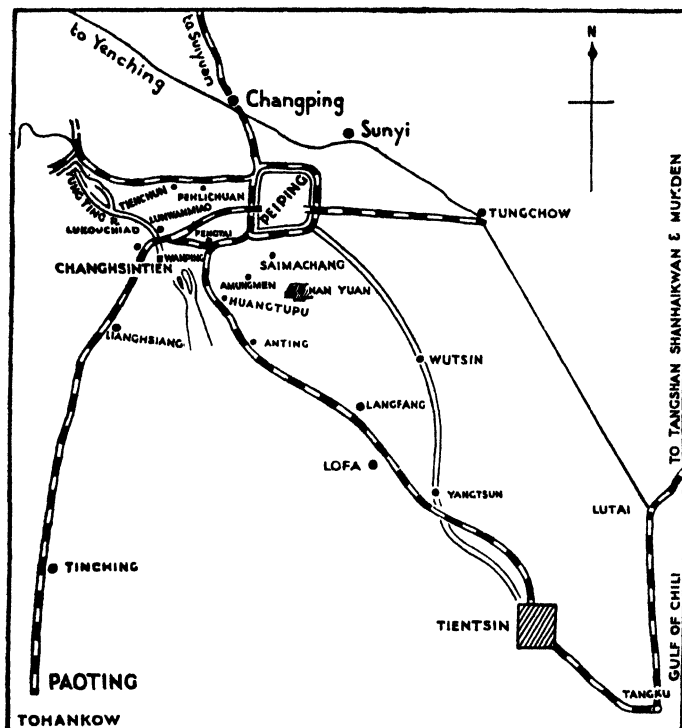
The Undeclared War

"We must beat China to her knees, so that she is no longer able to fight."—Prince Konoye, Japanese Prime Minister, September 8, 1937.

"Within two months China will be decisively crushed."—Spokesman of the War Office, September 8, 1937.

"We must bomb Canton, and the whole of China, as a measure of defence in a wider meaning."—Japanese Spokesman, September 7, 1937.

PART IV
AND NOW 1937—



Map of the Tientsin-Peiping area, North China

CHAPTER X

THE LUKOUCHIAO INCIDENT

"My mission in North China is to lead the Japanese Army, in justice and righteousness, to chastise the outrageous Chinese."—General Katsuki, Commander-in-Chief of the Japanese Army, in North China, July 14, 1937.

ON the left-hand bottom corner of the map on the opposite page there is indicated a railway line running from Hankow, in Central China, to Peiping, formerly known as Peking, the ancient capital of China. This line is the main artery from Canton in the extreme south, to the north. It is the most important railway in China both from a military and commercial point of view. Just before we come to Peiping, there is a place called Fengtai, an important junction of the railway that branches off to Tientsin.

North of Peiping I have drawn a line coming from Yenching to Chanping, on the Suiyan railway, and thence down to Sunyi and Lutai, on the Shanhaikwan railway, which connects up with Mukden and the South Manchurian Railway. The railway area shown on the map is thus seen to be the nerve centre of the railway system to North and to South China.

Mukden, it may be remembered, was taken by the Japanese in 1931; in 1933 they seized Shanhaikwan, which is important in that it is a coastal city and situated at the sea end of the Great Wall of China. During 1935 the Japanese built barracks along a number of stations on the Tientsin-Shanhaikwan

line. There is no question but that they then were preparing a new thrust towards the Peiping-Tientsin nerve centre, with the object of taking North China. Numerous raids and attacks were made along the Suiyan railway ever since the fall of Jehol in 1933. Japanese actions in North China followed a well-defined line: First, the conquest of a piece of territory, say Manchuria and Jehol, then, a period of recuperation and preparation, the preparation consisting of building barracks, airfields and fortifications along a line of new strike, that is, along places not actually conquered or even claimed, but from which Chinese troops had withdrawn under some kind of demilitarization arrangement, usually called a truce, in order to prevent a full-dress war.

One such truce was the Tangku Truce of May 25, 1933. Under this arrangement, following the Jehol hostilities, the Chinese Army was to withdraw south of the line I have drawn on the map, from Yenching to Lutai, and the Japanese Army was to withdraw north of the Great Wall, thus forming a demilitarized zone.

Now let us look at our map again. Coming down from Peiping via Fengtai we pass the following towns: Huangtupu, also called Huangtsun, Langfang, Yangtsun, Tientsin, Tangku, then north to Lutai, Tangshan and Shanhaikwan, the last two not shown on the map. Under the Boxer Protocol of 1901, "the Chinese Government concedes the right to the Powers to occupy (points at) these towns (and certain other towns in between) for the maintenance of open communications between the capital and the sea," and to carry out rifle practice and field exercises under certain limited conditions outside these towns.

It is unnecessary to go into the question whether

or not the Tangku Truce was still in force on July 7, 1937. For by the beginning of 1936 the Japanese had garrisons at Fengtai, the important railway junction which was previously noticed, the rail terminus town of Tungchow, headquarters of the bogus East Hopei Government (formed, it will be remembered, because the Japanese alleged that the district wanted its own autonomous government—with Japanese advisers), Peiping and Tientsin, all the towns mentioned in the Boxer Protocol, and in some towns along the Suiyan railway in Chahar, as well as special service headquarters at various of these towns (*see* Dr. Hsu, *North China Problem*, p. 36, for fuller information on this aspect of Japan's stealthy invasion of North China).

The ground was now ready for the next incident. By June, 1937, the Chinese press alleged, there were over 1,000 Japanese spies, agents, *ronin* and others working near the above towns, excluding Peiping and Tientsin;¹ some papers put the number of Chinese underlings working under these spies as high as 8,000. This was only a guess and should be treated with reserve; it was probably twice that number. The Japanese do things of this nature much more lavishly.

The incident came on July 7 at 10 p.m., the same hour as the Mukden incident on September 18, 1931. (There is no significance in this.)

It took place at Lukouchiao, between that town and the walled Chinese garrison town of Wanping, near the famous Marco Polo Bridge, of strategical importance. Japanese troops were having night manoeuvres or exercises, a kind of sham battle, in which they took up positions near the bridge, and around and between the two towns—something in

¹ See Chapter VIII.

the nature of the demonstrations in Shanghai on the nights of July 2 and 24, 1937. The troops carried live ammunition and light artillery, both breaches of the Boxer Protocol, as was the presence of troops twenty miles away from the nearest "Boxer town." There was good reason for the incident to happen at the spot it did happen, for the Marco Polo Bridge was of strategic value, the walled town of Wanping was a Chinese garrison centre, and it, with Lukouchiao, commanded the bridge and the crossing of the River Yung Ying.

Japanese troops were stationed in all the towns in and south of the demilitarized zone, and during June had been reinforced to twice their numbers at the various points. Spies and "plain-clothes men" were in the areas round about, and the allegations in the Chinese press seemed to be confirmed by what *Reuter* described as a state of "semi-martial law" in Peiping from June 28, when a number of these agitators and *provocateurs* was arrested. The stage was set.

The manœuvring Japanese troops heard a shot or shots at 10 p.m., and soon after found that one of their soldiers was missing. They demanded entrance to Wanping, to search for the missing soldier—how he was supposed to have entered the town has never been explained—and the Chinese, fearing it was a ruse to occupy the town, refused admission, saying that if a search were in fact necessary, it could be carried out in daylight on the morrow. The Japanese then fired on the Chinese, the firing including light artillery; the Chinese returned fire, and hostilities started. This is the official Chinese version.

The first Japanese version of the incident is that the Japanese demanded entrance to Wanping to find out who fired the shots and then were fired upon. The

second Japanese version is that the Chinese fired on the Japanese at Lukouchiao. The first of these versions comes from "Japanese military quarters," the second from the Japanese Military Attaché at Peiping.

There is no doubt that shots were fired both at Wanping and Lukouchiao, and, as suggested by the Chinese, the shots were fired by *agents provocateurs*. But the question is hardly of importance. What was required had happened. There was an incident and war had started.

Next day there was an hour's truce while officials were called to investigate, but incident rapidly followed incident. On July 8 the Japanese command in North China stated that the Japanese authorities "are determined thoroughly to probe the reasons for the irresponsible actions of the Chinese troops, and will call the Chinese authorities to account for their provocative acts." If there were provocative acts, it seems that the Japanese manoeuvres in themselves, at 10 o'clock at night, with bullets flying all over the place, were sufficient, especially when there had been tension between the two countries for the last few years and this tension was lately heightened by Japanese agitators throughout that region.

On July 8 there was fighting at Wanping, on July 9 there was a cessation following an arrangement to withdraw both sides' troops, but the Japanese did not carry out this arrangement, and later denied that it had been made, and the Korean Army was ordered to stand by, and six train-loads of Japanese troops arrived at Shanhaikwan.

On July 11 it was alleged by the Japanese that an agreement was signed between the Japanese and the Chinese containing the following terms: (i) official

Chinese apology and punishment of Chinese officials responsible for the incident; (ii) withdrawal of Chinese troops from the Wanping-Lukouchiao area; and (iii) suppression, in co-operation with the Japanese, of the anti-Japanese movement and Communist organizations in Hopei and Chahar. The last clause, as usual, contained the sting. It meant the setting up of a Japanese-controlled administration in the two provinces adjoining Jehol, and adding these two rich territories with their important towns and railways to the Japanese Empire. It followed the precedent of the "Anti-Communist Autonomous Government of East Hopei."

The circumstances surrounding this agreement, the subsequent avowals, denials, expansions and amendments would in themselves have provoked a war if a war in all but name were not already in existence. For fighting, except for an hour on the 8th and a short time on the 9th, was almost continuous on one front or another. The Chinese denied that they signed any such agreement; the only agreement signed by them, they said, was the truce of July 8 to suspend hostilities and to withdraw their troops, as the Japanese withdrew theirs, to specified points. They alleged that they had withdrawn their troops, but that the Japanese, in accordance with their policy of "take and stay put," had not withdrawn. And they persisted in their denial of having signed an agreement on July 11, or any other agreement, except that of July 8.

On July 13, *Reuter* reported from Peiping that the Japanese authorities insisted that the agreement was signed but refused to reveal the names of the signatories.

The whole question was shrouded in mystery. Here was an important agreement between Japan and

some representative of the Chinese troops, the Chinese commander and Chinese authorities generally denying the agreement, and Japan unable or unwilling to say who signed the agreement on behalf of the Chinese.

There were at that time facts which pointed against the Japanese contention. First, the terms of the agreement which the Japanese say was reached were by themselves given in conflicting versions. For example, on July 12, it was reported that the agreement consisted not of three but of five points, nothing being said about an apology, and specific mention being made of "severe punishment of General Chi, commander of the Lukouchiao garrison," "the Wan-ping area to be policed by unarmed Peace Preservation Officers," and "proposals for economic co-operation in North China to be carried out immediately."

Secondly, at the meeting which took place on July 11, the Chinese presented demands so inconsistent with what the Japanese claim were agreed to that it seems inconceivable that an agreement was reached on the spot without reference either to the Chinese Commander-in-Chief, General Sung, who was some hundreds of miles away at the time, or the Chinese Government in Nanking. The Chinese had demanded that "Japan assume responsibility for the incident, express regret, make reparation for damage done by shell fire, and guarantee against a recurrence of similar incidents in the future."

Domei, the semi-official Japanese news agency, whose representatives have a *carte blanche entrée* to Japanese high officials, says that these demands were flatly rejected by the Japanese, and that the Japanese threatened to leave the conference room if their demands were not accepted. Consequently the

Chinese were left with no alternative and **VERBALLY** agreed to the Japanese terms. This dramatic moment came at 1 p.m. that day, not at 8 p.m. as was previously stated. There was no meeting at 8 p.m.

Thirdly, the Chinese Foreign Office on July 11 issued a statement, which in no way indicated that China was prepared to withdraw from another strip of territory, leaving the Japanese in control of Peiping, for more than 500 years the capital of China, and still her greatest educational and cultural centre, and Tientsin, a city with a population of nearly two millions, and the railway nerve centre of North China. The Chinese Foreign Office statement was as follows:

According to reports received, the Japanese military have, in violation of arrangements reached for the suspension of hostilities at Lukouchiao, refused to carry out the complete withdrawal of their troops to the designated points. They have maintained more than 200 troops at Wulitien and have further effected a concentration of over 1,000 men at Tawayao, both points being a little to the north-east of Lukouchiao.

Beginning from 6 o'clock p.m. yesterday (July 10) the Japanese troops have launched a series of fierce attacks on the Chinese soldiers at Lukouchiao. In the meantime large numbers of Japanese troops have been ordered to the Peiping-Tientsin area from their stations, both at home and in Manchuria.

Such military activities, indicating as they do that a large-scale military campaign was contemplated, have further increased the tension brought about by the Lukouchiao incident. For this, the responsibility rests solely with the Japanese.

The Lukouchiao affair, it may be recalled, broke

out late in the night of July 7 when a number of Japanese troops were engaged in illegal manoeuvres at Lukouchiao. In the course of their war exercises the Japanese demanded to enter the walled city of Wanping for a search on the pretext that one of their men had been missing.

Upon this demand being refused by the Chinese authorities the Japanese immediately launched an artillery attack upon the city, thus giving rise to the outbreak of hostilities. It appears quite obvious that the Japanese troops acted in accordance with a preconceived plan.

Acting in self-defence the Chinese troops at Lukouchiao have put up a stern resistance. At the time the Foreign Ministry lodged a vigorous protest with the Japanese Embassy, demanding the immediate cessation of military activities on the part of the Japanese troops and reserving for China the right to make legitimate demands.

Meanwhile the Chinese local authorities have been engaged in patient negotiations with the Japanese with a view to an early amicable settlement of the affair. Our firm determination and painstaking efforts to preserve the peace must be obvious to all impartial observers.

On the evening of July 8, an understanding was reached by the two parties on the following basis:

- (1) Cessation of military activities on both sides;
- (2) Withdrawal of troops on both sides to their original positions;
- (3) Lukouchiao (bridge) to be guarded as heretofore by Chinese soldiers.

But unfortunately the tranquillity thus restored was shortlived. As indicated by subsequent developments, the Japanese military, instead of showing the least sincere effort to bring about a

peaceful settlement appear to have entered into the understanding with no other object than that of gaining time to call up reinforcements for a fresh offensive.

The policy of China is internally economic reconstruction and externally the maintenance of peace. So far as our relations with Japan are concerned, our policy is to seek peaceful settlement through diplomatic channels of all outstanding issues on the basis of equality and reciprocity.

Such being the case the Chinese government earnestly desires that the Japanese will immediately cease all military activities and in accordance with the understanding previously reached withdraw their troops from the scene of the conflict.

Furthermore, with a view to avoiding the possibility of future conflict, it is also to be desired that the Japanese will refrain from stationing troops or holding military manoeuvres in those parts of China, where no foreign troops are allowed.

Perhaps the Chinese should have known what it meant to make an "official statement" in these unhappy times. Here was meat for Japan, juicy and bloody and appetizing. "This affair," declared a Japanese spokesman, "is one between the Japanese Army and North China, a local affair, to be settled on the spot, locally. Japan will not tolerate the interference of Nanking." This was the old policy of the Japanese, the cutting off of strips of territory from China by making agreements with local authorities set up by or under the influence of themselves. How near they came to success even on this occasion we shall see presently.

There is a limit to all things, and the Chinese were approaching that limit. For the first time in China's

history, she had taken a dignified stand against the Japanese. Not only had she blamed Japan for the trouble, made requests to Japan in the form of a "desire that the Japanese will refrain from stationing troops or holding military manœuvres in those parts of China where no foreign troops are allowed," but her soldiers had actually repulsed the Japanese troops. Perhaps China felt that she could go no further in withdrawing against Japanese aggression, in surrendering territory; perhaps she felt that she was now sufficiently prepared to embark, if not upon a successful war, at any rate upon a war of sufficient duration to exhaust Japan and make her and not China wish for peace. We shall see.

But the Japanese, unaccustomed to be addressed by China without abject humility, had other plans and ideas. The Japanese merchant marine was commandeered; one hundred thousand troops were embarked; ten thousand from Korea and another ten thousand from Manchuria were already on their way to Peiping and Tientsin; one hundred airplanes were at Shanhaikwan; tanks were rumbling along the ancient road-tracks of Hopei.

"My mission in North China," said General Katsuki, on July 14, 1937, on being appointed commander of the Japanese Army in North China, "is to lead the Japanese Army, in justice and righteousness, to chastise the outrageous Chinese." No war had yet been declared. The Chinese Army was still the friendly army and Chinese officers the honourable colleagues of this polished and chivalrous commander. Imagine a statement like this by a British, German, French or Italian commanding officer about a neighbouring country with which, officially, his country is at peace. One may say: But that is China; the

Japanese would not dare to say the same about the British or the Germans. Well, it is true that there is nobody except the Russians to whom they have used such language. But we shall see.

During the following week fighting, though not widespread, was taking place at different points between Lukouchiao and Tientsin. The Japanese occupied important buildings in Tientsin, like the Customs House, and in other cities, like the telephone exchange in Fengtai, thus cutting off all Chinese communication with Peiping by rail, road and telephone, and the wharves at Tangku. And Japanese planes were flying far into the interior, bombing Chinese villages and machine-gunning non-combatants in passenger trains. This warfare against non-combatants was later to become a consistent part of Japanese operations, a furtherance of the policy of demoralization, and was to draw the strongest protest made by Great Britain to a foreign power since the Great War. "His Majesty's Government feel," said a British note to Tokyo in August, 1937, on the occasion of the wounding of the British ambassador to China by a machine-gun from an aeroplane as the ambassador was travelling in a motor-car along a road where no troops were operating, "that they must take this opportunity to emphasize the wider significance of this event. It is an outstanding example of the results to be expected from indiscriminate attack from the air. Such events are inseparable from the practice, as illegal as it is inhuman, of failing to draw that clear distinction between combatants and non-combatants in the conduct of hostilities, which international law, no less than the conscience of mankind, always enjoined."

Japanese comment on this note was that it is

unthinkable that the Japanese Army would be so barbaric as to attack non-combatants, yet on September 8, according to *Reuter's* report, Japanese aeroplanes bombed a crowded Chinese refugee train, killing 300 and wounding 400.

On July 18 the Japanese Embassy at Nanking presented a note to the Chinese Foreign Minister, and requested a reply within 48 hours. The note read:

Firmly adhering to its policy against the aggravation of the situation, publicly announced on July 11, the Japanese Government has patiently endeavoured to achieve a local settlement, without ever losing hope for peaceful negotiations. However, the Chinese Government not only persevered in maintaining a provocative attitude, but by various means interfered with the execution by the Hopei-Chahar authorities of the terms for a settlement. The Japanese Government deeply deplors such a threat to the stability of North China and fears that, if the situation is allowed to develop in the present channels, it may lead to grave and unfathomable consequences.

Your Excellency has repeatedly stated that the policy of the Chinese Government is also against the aggravation of the situation. Therefore, if the Chinese Government truly adheres to such wishes, it is requested by the Japanese Government to realize them by ceasing immediately its provocative activities and undertaking that there shall be no interference with the execution of the terms of the settlement by the local authorities. Moreover, it is requested to give promptly an adequate answer to the above.

To this note the Chinese Government replied the next day, and this reply should be remembered by

those who might have any doubts about the responsibility for the war. For the note proposes a settlement of the dispute by any "method provided by international law and international treaties for the pacific settlement of international disputes—such as direct negotiation, good offices, mediation, arbitration, etc.," and it contains constructive proposals for a truce. This is the English translation of the Chinese reply:

Since the outbreak of the Lukouchiao incident China having not the least desire to aggravate the situation or provoke a conflict with Japan has repeatedly declared her readiness to seek a settlement by pacific means. The Japanese Government while professing anxiety not to see the situation aggravated has at the same time despatched large numbers of troops to the province of Hopei. The movements of Japanese troops which have not yet ceased indicate a clear intention on the part of Japan to resort to force.

In the circumstances the Chinese Government has been compelled to take adequate precautionary measures for self-defence but the Chinese Government has not relaxed its consistent efforts for peace. On July 12 the Minister of Foreign Affairs in discussing the situation with S. Hidaka, Counsellor of the Japanese Embassy, proposed mutual cessation of military movement and withdrawal of troops on both sides to their original positions. It is to be regretted that no reply to this proposal has yet been received from Japan.

The Chinese Government now wishes to reiterate its desire for a peaceful settlement of the incident as well as its intention not to aggravate the situation. It is therefore proposed that the two parties jointly fix a definite date on which both sides shall simul-

taneously cease all military movements and withdraw their respective armed forces to the positions occupied prior to the incident. In view of the peaceful aspirations voiced by the Japanese Government the Chinese Government trusts that the proposal will be acceptable to Japan.

As regards the procedure to be followed for a just settlement of the Lukouchiao incident, the Chinese Government is prepared immediately to enter into negotiations with the Japanese Government through regular diplomatic channels. The settlement of questions of a local nature susceptible of adjustment on the spot shall be subject to the sanction of the Chinese National Government.

In short the Chinese Government is ready to exhaust all pacific means for the maintenance of peace in Eastern Asia. Therefore all methods provided by international law and international treaties for the pacific settlement of international disputes—such as direct negotiations, good offices, mediation, arbitration, etc.—are equally acceptable to the Chinese Government.

Events meanwhile had moved rapidly in both China and Japan. The Japanese cabinet had pompously announced that they had made, on July 11 (the day it was alleged the Chinese signed a truce), a "grave and immutable decision which had been conveyed to the Emperor"—this meant, according to Japanese custom, that the decision was irrevocable, for the Emperor may not ever either be given two successive decisions on a question of policy or be informed that his cabinet has changed its mind. What the decision was has not been made public. On July 19, Tokyo announced that the Government "will continue to adhere to the policy decided on July

11," that "efforts will be made to localize the incident and prevent its aggravation," and that "local Chinese authorities will be urged to carry out the Lukouchiao agreement of July 11. Precautions have been taken against any possible emergency," it was added significantly. We now know what those precautions were. Troops were pouring into North China.

Other statements from Tokyo were even more gloomy. "The Japanese people," declared a cabinet communication to the press, "are urged to be fully prepared for the worst eventuality, which may occur despite Japan's efforts to the contrary." "Troops have been dispatched to North China," announced the Prime Minister, Prince Konoye, "the only desire of the Government being to prevent a grave situation, and to secure China's sincere guarantees that similar illegal actions will not recur. The nation must stand united behind the Government in this crisis."

Perhaps China was prepared to meet Japanese demands up to a point; an offer of mediation or negotiation had been made in the announcement of July 19. But Japan could not wait to consider that statement. "No further delay in a settlement of the incident can be tolerated," said an Army spokesman. "The Government has been compelled, by the insincere attitude of the Chinese, to take decisive steps"—"to deal a decisive blow," said the Tokyo *Nichi Nichi*, greatest paper in Japan. What was this "insincere attitude"? I have never found out.

But there had been no delay by Nanking; there was a definite offer for immediate negotiation, even for mediation. "We will not tolerate the interference of a third party," was the emphatic reply of the Japanese Foreign Office to British and American efforts to mediate.

Meanwhile further demands sprang up in various parts of China. Demands were made of the Mayor of Peiping; demands were made of the Mayor of Tientsin; demands were made as far south as Swatow and Amoy. The Japanese tentacles, already spread to most parts of China, were beginning to move. Disturbances by *ronin* and their confrères were reported from all parts of the country. China was on the verge of an upheaval. What was she to do?

For the last few years the Chinese Government had been busy with the economic reconstruction of China. It was one of the greatest tasks which the modern leaders of an ancient and economically backward country have faced. Vast schemes of railway development, road building, educational reform, public health services, had been set afoot. A new constitution, the fruit of 26 years of endeavour, conflict and bitterness, was taking shape. Civil war, after 4,000 years, had been abolished. A national consciousness was being built up. China wanted time; China wanted peace; China feared war.

Chiang Kai-shek, the virtual dictator of China, after a number of conferences with members of the Chinese Government, provincial leaders and army chiefs, made a statement which was at once frank, conciliatory and dignified. This statement is worth studying. "The consequences of the Lukouchiao incident," the Generalissimo said, "threaten the very existence of China and the peace of East Asia. . . . For the last two years, the National Government, in its policy towards Japan, has constantly sought to confine all pending problems to proper recognized channels of diplomacy so that just settlements could be reached." Then, appealing at once to his own people for calmness and patience, to the world, and

to Japan, he said, "Our people should understand our national position. We must realize our own situation. As people of a weak nation we should evaluate justly the degree of our own strength. For the past few years we have bent all our efforts towards patient endeavours to ensure peace in the face of grave difficulties and grievous pain, so that we may achieve national reconstruction. For this reason . . . the year before last I stated, 'While there is the slightest hope for peace we will not abandon it; so long as we have not reached the limit of endurance we will not talk lightly of sacrifice' But although a weak country, if unfortunately we should have reached that last limit, then there is only one thing to do, that is to throw the last ounce of our energy into the struggle for national existence. And when that is done neither time nor circumstance will permit our stopping midway to seek peace. We should realize that to seek peace after war has once begun means that the terms would be such that the subjugation of our nation and the complete annihilation of our race would be encompassed. . . ." After tracing the events preceding the Lukouchiao incident, the Generalissimo continued:

The four North-eastern provinces have already been lost to us for six years; following that there was the Tangku Agreement, and now the point of conflict—Lukouchiao—has reached the very gates of Peiping. If we allow Peiping to be occupied by force then the result will be that our ancient capital of 500 years, and the political, cultural and strategic centre of our entire North would be lost. The Peiping of to-day would then become a second Mukden; the Hopei and Chahar Provinces would share the fate of the four North-Eastern provinces.

If Peiping could become a second Mukden what is there to prevent Nanking from becoming a second Peiping? The safety of Peiping therefore is a problem involving the existence of the nation as a whole, and whether it can be amicably settled comes within the comprehension of our term "the limit of endurance." If finally we reach the stage where it is impossible to avoid the inevitable then we cannot do otherwise than resist and be prepared for the supreme sacrifice. This resistance is forced upon us; we are not seeking war, we are meeting attacks upon our existence. . . . Weak nation as we are we cannot neglect to uphold the integrity of our race and ensure the very existence of our nation. It is impossible for us not to safeguard to our utmost the heritage of our forefathers, a duty which we must fulfil to the utmost. Let us realize, however, that once war has begun there is no looking backward, we must fight to the bitter end. If we allow one inch more of our territory to be lost then we would be guilty of committing an unpardonable offence against our race. What would be left to us other than to throw every resource of our nation into a struggle for final victory?

At this solemn moment Japan will have to decide whether the Lukouchiao incident will result in a major war between China and Japan. Whether or not there is the least vestige of any hope for peace between China and Japan depends upon the action of the Japanese Army. Even at the very last second before we abandon all hope of peace we would still be hoping for peace, we would still be seeking a solution through proper diplomatic channels. In seeking peace, we take our stand on the following four points:

- (1). Any kind of settlement must not infringe upon the territorial integrity and the sovereign rights of our nation.
- (2). The status of the Hopei-Chahar Political Council is fixed by the Central Government; we should not allow any illegal alteration.
- (3). We will not agree to the removal by outside pressure of those local officials appointed by the Central Government, such as the Chairman of the Hopei-Chahar Political Council.
- (4). We will not allow any restriction being placed upon the positions now held by the 29th Army.

These four points, said General Chiang, constitute the minimum conditions possible as a basis for negotiation for any nation, no matter how weak it may be. And if the opposite side will place herself in our position and have due regard for maintaining peace in the Far East and does not desire to force China and Japan into hostilities and to make them enemies for ever they will realize that these conditions are the minimum that can be considered.

He concluded by saying, "We seek for peace, but we do not seek for peace at any cost. We do not want war, but we may be forced to defend ourselves."

This statement was received with the entire nation's unanimous approval. Throughout the length and breadth of the country, from Canton and Szechuan and Yunnan, from Suiyan and Honan and Shantung, came news of the nation's endorsement. From every corner came old warriors to Nanking, to offer their services to General Chiang Kai-shek; men who for

ten years had not spoken to him on account of old differences, now came in person to "serve under your command"; men who had been banished; men who had been in exile; men who had rebelled; men who had sulked; men who had been disgruntled; men who had vowed vengeance for defeats in the civil wars. They came across the seas, from Singapore and Manila and London, from San Francisco and Honolulu. Those who were in prison for political offences clamoured to be released in case they might be able to render assistance. Those who were under sentence of death and had escaped as exiles to Japan, returned without waiting for an annulment of the sentence. The Red Army which had been driven from its mountain strongholds in the south to the arid wastes of the north-west offered assistance. Even the coolies, the water carriers in Szechuan, the barges on the upper stretches of the Yangtse River, the bandits in Ningsia, people who had never heard of the "new life movement," of the "rejuvenation of China," of such phrases as "national consciousness," of such a thing as "national government," held meetings and decided to help the "national government." And coppers, each of them worth one-thirtieth of a penny, came trickling in to the national exchequer from the starving poor. What Chinese leaders had been striving to accomplish for twenty-five years, had been accomplished by Japan overnight. The Chinese nation had become united.

But it was not sufficient to make speeches. The war, at all reasonable cost, was to be averted. General Sung, commander of the 29th Army which had been fighting the Japanese around Wanping, and Chairman of the Hopei-Chahar Political Council, went to Tientsin and visited the Japanese commander, General Katsuki.

He had decided to act on his own responsibility; he knew that in so doing he would be ostracized by the Chinese people and probably would lose his position. He knew that Nanking's attitude was against the surrender of territory. He himself, as Commander-in-Chief in the north, would make one more effort. He told General Katsuki that he would accept the terms of the agreement alleged to have been made on July 11, and he apologized for the incident. He was asked to sign a written agreement, but he replied, "That is not necessary, for you say you already have the signatures of the representatives of China. I have come to make an official apology, and to assure you that the terms will be carried out."

Katsuki was taken aback. This was indeed a blow. The matter was referred to Tokyo.

"Japan," said Tokyo, in another official pronouncement by a Government spokesman, "cannot be satisfied with the shallow apology made in Tientsin by General Sung. This apology is a manoeuvre, similar to those usually employed by Chinese officials in time of stress. . . . Unless the Chinese authorities change their attitude promptly, the Japanese Government will be compelled to take decisive steps."¹

The Chinese Foreign Office's offer of diplomatic means of settlement of the dispute was ignored by the Japanese Government. Asked what the Government was going to do about that offer, a Government spokesman said that the suggestion of conferences, negotiations, etc., was "irrelevant. We cannot negotiate with the Chinese if they persist in their insincere attitude. What the Chinese need is a 'show-down.'"

In what this "insincerity" consisted, we are at a loss

¹ See the statement of General Katsuki on August 3, 1937, in Appendix III.

to know, but this was suggested later in a reference to other agreements, to which we refer in the last quotation in this chapter.

There were now about 100,000 Japanese troops in North China. The incident of the missing seaman of Shanghai had already occurred. Troops and warships were gathering around Shanghai; Japanese nationals were evacuating the whole country; the Japanese Diet had voted in all nearly 500,000,000 yen.

The Chinese Government through a Foreign Office spokesman now indicated that it was prepared to accept the settlement of July 11, but there was no response to this offer. Instead, the Japanese demanded the withdrawal of Chinese troops from Peiping and Tientsin and then bombed and occupied Tientsin, there being appalling loss of civilian life after incendiary bombs had done their work. Having shown their hand they advanced on Peiping, which the Chinese evacuated in order to preserve the ancient city. For in Tientsin the Japanese had deliberately set fire to and destroyed the University of Nankai, and the school attached to it "because," they declared, "Chinese educational institutions are anti-Japanese."

In Japan, such is the irony of human endeavour, the whole press had been mobilized and public opinion inflamed by a nation-wide campaign of Cabinet ministers and other politicians, led by members of the Black Dragon Society.¹ A study of the newspaper reports must convince any person how sadly the Japanese people had been misled. I have given some examples of this in Appendix III. The following, which is typical of the Japanese press, is from a

¹ See Appendix III.

more moderate paper, the Tokyo *Chugai Shogyo* of August 8, and is an editorial comment:

"Japan firmly believes that all this is absolutely necessary for the security of East Asia and for the discharge of her mission as the stabilizing influence in this part of the world. If the Chinese authorities rightly understood Japan's true intentions, it ought to be easy for them to localize the trouble and settle the situation speedily. If General Chiang Kai-shek has statesmanship, he ought to use his influence against war with Japan and endeavour to give a new turn to the situation. Unfortunately his efforts are directed the other way. Japan has no fear of China but deeply regrets her attitude for the sake of the general peace of East Asia."—(Quoted by the *Japan Weekly Chronicle*, August 12, 1937.)

The Japanese Diet passed a resolution supporting the Government's policy in North China and urged the Government to "establish lasting peace in East Asia by rejecting China's anti-Japanese policy" (August 6) after the Minister of War had described the movement of Japanese troops to China as "a defensive measure," and that the Japanese Army "was fully prepared to take punitive measures" against China, and after the Foreign Minister had declined to reply to the question of one member whether friendly Sino-Japanese relations were "impossible without the annihilation of the Chinese Army."

The Chinese, though they rushed troops up north to prevent a headlong Japanese advance into Central China, a move that should have been taken by the Chinese weeks before, now made a last attempt at a settlement.

On August 10, before the latest Shanghai incident

was reported in the Japanese press, reports having been held over by the censor for twenty-four hours, the following appeared in the *Osaka Mainichi* and the *Tokyo Nichi Nichi*:

Shanghai, Aug. 8.—Realizing the gravity of the situation in which a Sino-Japanese war is almost inevitable, the Foreign Office of the Nanking Government issued the following statement late Saturday night, taking advantage of the return to Shanghai of Ambassador Kawagoe:

“If Japan is prepared to hold diplomatic negotiations for settling the present Sino-Japanese dispute, China is also prepared to do so, for there is still room for a peaceful solution of the dispute. As long as diplomatic relations between the two countries are not formally severed, such diplomatic negotiations can be started at any time.— It is still not too late to start diplomatic negotiations for peace.”

Commenting on this the two syndicated papers on the same day declared:

Obviously, for Japan to open diplomatic negotiations at such a stage would be to play into the hands of the Nanking leaders. . . . This is the favourite trick of the Chinese and requires careful watching.

And on the same day and in the same papers the Japanese Minister of War is reported to have made a statement.

DECISIVE STEP IS ONLY MEANS LEFT: SUGIYAMA

Japan's determination that China shall honour her pledges was expressed by General Sugiyama, the War Minister, at his official residence,

Monday afternoon, August 9, at 4 o'clock. This was War Minister Sugiyama's first press interview since the conclusion of the special Diet session.

The War Minister spoke to the following effect:

"Violating the Umezu-Ho Yingchin pact and the Doihara-Chin Techun agreement,¹ China has advanced her forces into the demilitarized zone, assuming an offensive attitude against Japan. An anti-Japanese movement of a vicious nature has swept all over China.

"Hoping to prevent the aggravation of the situation, the Japanese authorities have been exerting restraint. So long as China fails to show any sign of sincerity, however, a conflict between entire Japan and China is inevitable if the situation develops for the worse.

"There is a limit to one's patience. This is true of Japan. The shortest way to a solution of the issues might be to give a thoroughgoing military punishment to China.

"Showing insincerity, China has been breaking promises and propagating lies not only in the present issue but also in the past. It is extremely difficult to conduct negotiations with such a country.

¹ The so-called Ho-Umetzu agreement, alleged to have been arrived at on May 29, 1935, is shrouded in mystery. An alleged text of the agreement will be found in *China Weekly Review* of March 14, 1936, and from this its main terms appear to be the dismissal of certain officers, the suppression of anti-Japanese associations, and the withdrawal of Chinese troops from Hopei. There is a dispute about the authenticity of most of its terms. The Japanese claim that the Chinese gave them a vetoing right in the appointment of officials in Hopei. Whatever the terms (even those set out here as claimed by Japan) they do not reflect credit on Japan and are further proof of her policy of aggression. The Chin-Doihara agreement of June 27, 1935, is almost the same as the above, but refers to North Chahar.

"The views of the entire Japanese nation have been completely unified and the attitude of the Japanese Army and Navy has already been decided upon.

"With Japan's patience reaching its end, it is time that Japan should act decisively."

With this piece of hypocrisy, I conclude my account of Japan's charges of "insincerity" against the Chinese. I have tried to trace the events immediately following the Lukouchiao incident, and have endeavoured to make clear the attitude of both Japan and China. To have said more, to have quoted other and yet more offensive statements by Japanese official spokesmen, would have served no purpose and would have burdened this already overburdened chapter. As I write, one quarter of China is in Japan's hands, a large part of Shanghai is burning, trade has come to a standstill, disease has broken out in many parts of the country, more than a million refugees are facing starvation. Already about five thousand non-combatants have been killed, in Tientsin, Shanghai, Hongkew, Nantao, Pootung, as far south as Canton, about a thousand miles away from Shanghai and two thousand from Tientsin, and in the crowded villages of the inland. Nanking has been bombed, passenger trains have been machine-gunned and bombed, residential homes have been set ablaze, and in one or two instances, it has been reported, poison gas has been used. If the war goes badly against Japan, there is no doubt she will use poison gas extensively. For this the Chinese population is entirely unprepared. You cannot supply four hundred million gas masks in a month or in a year or even in five years. China could never pay for them. What the end will be I do not pretend to visualize. But I do know that a defenceless

people have been shamelessly attacked by all the horrid slaughter machines and death-dealing contrivances under the control of a hate-maddened clique of military commanders and naval officers, and if they are allowed to succeed, humanity is not worthy of the name, and civilization as it exists to-day will go crashing to the doom which its war-mongers and so-called patriots have already prepared for it.

[REFERENCES: Daily English press, Shanghai; *China Weekly Review*, official documents and, on prior treaties, Dr. Hsu, *The North China Problem*.]

PART V
BACKGROUND

CHAPTER XI

A LESSON IN CAMOUFLAGE

THE five northern provinces of China are Hopei, Chahar, Shantung, Shansi and Suiyan. They have a combined area of 390,000 square miles, much larger than that of any European country excepting Russia in Europe, and a population of about 82,000,000. They are rich in wheat, cotton, iron, coal and other materials much desired (even essentially required) by Japan. These provinces contribute about forty per cent of the wheat production of all China, fifty-one per cent of the millet, about ninety per cent of the wool, thirty-four per cent of the cotton, seventy per cent of the coal, forty per cent of the iron, twenty-eight per cent of the trade and twenty per cent of the national revenue of the whole country (despite the enormous leakages amounting to millions due to Japanese smuggling and interference with the customs).

Here, in a nutshell, in one paragraph, we have the most important—though not the only—motive of the Japanese attempt to conquer this territory. Other reasons are the ambitions of the Japanese military party, the internal situation in Japan, and the realization of the military as well as of the armament manufacturers, that unless Japan can obtain cheap iron, coal and other raw materials, not by purchase but by the enslavement of poor populations, Japan will cease

to maintain her position as a great military and commercial power. So acute was the shortage of iron and other raw materials in Japan during the last few months of 1936 and the first half of 1937, that a crisis of the first magnitude had arisen. These matters are dealt with in Chapter XIV and Appendix V.

In many different camouflaged ways the Japanese have endeavoured to obtain the control of the resources of North China in such a manner that the provinces would be, in all but name, Japanese territories or colonies. One of the Japanese methods was to obtain the control of railways or to endeavour to build new railways. The Japanese-controlled or part-owned South Manchuria Railway was behind the Japanese occupation of Manchuria in 1931. The South Manchuria Railway corporation is now the biggest undertaking in Manchuria; with the Japanese war lords, it may be said to own practically the whole of Manchuria and Jehol, where many of the Chinese have been deprived of their land, and where those who were permitted to remain on the land have become virtually the slaves to the Japanese, forced to plant and cultivate poppies and to accept the prices offered for all products by the South Manchuria Railway.

With its military allies and shareholders, the South Manchuria Railway controls Japanese policy in Manchuria and North China. It is a semi-government concern. It goes in for cotton-growing and agriculture generally. It has a bribery fund of over Y1,000,000. It has numerous subsidiaries, and through these subsidiaries has endeavoured to obtain control of the resources of the northern provinces by investments, direct ownership, and leases and purchases of land. So widespread have been the invasions of this concern into vital Chinese economic interests that the Chinese

Government was compelled to pass laws prohibiting foreign ownership of land and mines.

Japanese policy therefore aimed at turning the provinces away from the control of the Chinese Government by encouraging the establishment of independent administrations, like the bogus East Hopei administration. That is why the Japanese always harp upon "the local settlement" of incidents—the policy of "settlement on the spot." The local administrations set up by them or under their influence could always be relied upon to be amenable to the wishes of the Japanese, its officers were "friends" of the Japanese, people (bluntly termed by the Chinese as "traitors") who had been bought by the paper money of the South Manchuria Railway. Some of these administrations might be separate so-called "autonomous governments" under Japanese directorship, and these are openly used by the Japanese in every direction to further their interests in direct conflicts with the Chinese Central Government at Nanking. A full description of the development of this method will be found in Dr. Hsu's book, *The North China Problem*, and in the bulletins of the Council of International Affairs, Nanking.

Two or three of these economic or non-military conflicts may be given as examples of this particular method of economic penetration. For a number of years there had been a dispute between a Chinese and a camouflaged Japanese company regarding the ownership of a coal field. In 1935 the Japanese company evicted the Chinese claimants with the assistance of Japanese military forces. They then offered compensation to the Chinese shareholders and a deal by means of a sale of shares was concluded between the two companies. But this sale was

illegal according to Chinese law, and the Nanking Government stepped in, refusing to allow the transfer of the shares to the Japanese. In another case a Japanese concern leased a large tract of farming ground and the Government once more had to step in. Then the Japanese endeavoured to obtain rights to build a railway from Tientsin to certain iron mines, and also rights to exploit the Lung-yen iron mines, claims which, for reasons stated below, were refused by the Chinese Government.

It may be said that the Chinese Government was wrong in not allowing the Japanese to assist in the economic development of the country. Apart from the right possessed by all nations to control their own internal affairs, a right exercised very firmly by most countries in exactly the same manner as the Chinese did in the above cases—for example, Australia has consistently refused to countenance Japanese ownership of Australian mines or ground—there are special reasons in the case of China.

In 1936 the South Manchuria Railway Company formed a subsidiary called the Hsin Chung Company with a capital of Y10,000,000, for the purpose of promoting all sorts of economic activities in North China. Among its objects were the establishment of cotton-planting areas, a new railway from Tientsin westwards to Shansi, the building of a new harbour at Tangku, the organization of a Sino-Japanese syndicate with a capital of Y30,000,000 for the exploitation of the Lung-yen Iron Mines, in the vicinity of Peiping, which were being worked already by the Chinese, the establishment of a power-plant in Tientsin large enough to supply the whole of North China with power, and the inauguration of an aviation company to cover certain inland Chinese towns (a most dangerous

concession for a foreign Power to possess). This is a formidable list of objects and moreover, if carried out, meant an enormous hold on the economic life of North China. Any government in the world—think for a moment what the reaction in France or England would be to a foreign proposition of this sort in either of those countries—any government would have had something to say about such a proposition. It was not the fact of Japanese penetration that was objected to but the enormity and the method of it. These measures, if carried out, would have transformed North China into an appendage of Japanese economy. Yet the Chinese were not unreasonable. They were prepared to entertain the suggestion on certain conditions. First, all commercial and economic ventures were to be regulated not by local autonomous bodies but by the ordinary laws of the country already in existence or brought into being in the usual manner by the national legislature of China. Second, the construction of railways and the exploitation of mines must not be accompanied by exclusive Japanese administration. Third, there was to be no monopoly. Fourth, special reductions in the Chinese tariff to meet the requirements of the new ventures would not be allowed. Fifth, economic co-operation must be preceded by the liquidation of political difficulties.

These conditions were not tabulated as a mere whim, as a bolt from the blue; they were laid down precisely because the Japanese had claimed the very rights and privileges which the first four conditions were designed to prevent. In other words, the Japanese had claimed not only economic exploitation, but a privileged administrative and political position alongside their economic enterprises. As to the fifth condition, it should be remembered that the Chinese

have never recognized the conquest of Manchuria and Jehol; it should be borne in mind that Japanese troops were stationed in North China and were invading Chahar, and the Japanese were claiming a special position in those areas. The political position was in a state of flux; new thrusts and new moves were expected to take place at any moment. Is it to be wondered at that the Chinese Government said: "If you want to trade with us on such a vast scale, first settle political differences between us regarding all that has happened and is happening a little further to the north, and give us guarantees that such happenings will cease in the future and that this scheme is not another one of those schemes with which we have had to deal in the past, aiming at the political control of the five northern provinces."

In the past the Japanese had found it fairly easy to promote their economic schemes, for there was little effective control by the Central Government at Nanking; but during the last few years a policy of reconstruction and of effective political administration and unification had been making headway under the Chinese Government established in 1927, and the Japanese found that this progress in no way suited their own aims. They were meeting for the first time effective resistance to their plans for the economic subjugation of China. Thus an orientation in Japanese methods took place.

In order to overcome Central Government control of the northern provinces, the following new conceptions found a place in Japanese political philosophy: (i) North China is not and never has been a part of China proper. The Government of China has no right to control it, and in future must not interfere in the affairs of the North China provinces. (ii) Specific

areas in North China, like East Hopei, have shown a desire to establish their own autonomous governments, and we respect that laudable desire and expect Nanking also to respect it. (iii) Wherever it is necessary to have Chinese officials, whether those already appointed either by the Central Government or to be appointed by the local autonomous governments, the Japanese Government, on account of its special position in North China, shall have the right of ratifying, approving and vetoing the appointments made. (iv) As the trouble in the past has been caused by anti-Japanese feeling stirred up by the National Government of China and by the Communists, all anti-Japanese associations shall be disbanded and a joint Sino-Japanese campaign, under Japanese direction, shall be conducted against Communism in China.

These four principles now underlie Japanese policy in China. In one form or another they may be seen in every speech uttered by Japanese statesmen, in every statement issued by the Japanese Foreign Office, and in all the demands made by the Japanese in North China. It is true they are not so noticeable in the declarations of the Army and Navy spokesmen, who talk more of "chastisement," "provocation," "lawlessness" and "severe measures"; but this is because these more militant gentlemen expect an immediate surrender on all points of Japanese policy, and a failure to do so is described as provocation and "lawlessness," meriting "severe measures of chastisement," whereas the political gentlemen, who occasionally have to think of the purse-strings of the nation, hope to achieve their ends by less expensive means and talk rather of Chinese resistance as "insincerity."

A short examination of the above-mentioned

pivots of Japanese political philosophy should be a good lesson in that insincerity which is the constant accusation levelled against the Chinese.

The first point was used by the Japanese in Manchuria. Having taken Manchuria, they applied the argument to Jehol, declaring that there should be added to Manchuria all those parts which geographically and logically belong to it. Historically, of course, the argument is nonsense. But its danger lies in its extension and reversal. It is already being used in Inner Mongolia, as well as in North China. It might, with equal logic, be applied to Central China. It need not stop at Tibet. It can go to French Indo-China, Siam and Burma—in this form: "As Central and South China were for centuries ruled by the Manchu Emperors from Peking, and as we now hold Manchuria, we ought to join North China to Manchuria, including Peking (Peiping), the ancient capital. And as Peking was the capital of all China, we must join Central and then Southern China to Manchuria and the northern provinces. And as China once ruled Indo-China, Siam, and parts of India, Malaya and possibly the Philippines"—there is no end to the argument of this convenient and imaginative philosophy.

The second point, that specific areas want their own autonomous governments, is also without any foundation in fact. It is well known that until very recently there has not been the slightest symptom of democratic or representative government in China. During the last year steps were being completed for holding elections in North China in November, 1937, for the National Chinese Convention in Nanking and these steps were enthusiastically welcomed in Peiping and elsewhere. The Japanese did not like these

preparations and endeavoured to do what they did in East Hopei—obtain the support of a few individuals and set up an autonomous government. Throughout China these governments are known as and called “bogus régimes.” There is in fact no other name for them recognized by the Chinese, who are strategists in the employment of words and whose language lends itself to happy nomenclature. The third point of Japanese policy, the approval of official appointments, is dealt with in the second point.

The fourth point is the suppression of anti-Japanese feeling and of Communism. Regarding the anti-Japanese feeling, we find this demand made by the Japanese wherever they have a consul, a *ronin*, a soldier, or a concession. It is sprung upon the Chinese at every conceivable moment. It is attached to every demand. It forms the basic claim following every incident. To-day it is Canton, to-morrow it is Swatow, on the third day it is Shanghai, next week it is Tientsin, then it is Peiping, finally it is Lukouchiao. Only once have I noticed a Chinese official bluntly reply to such a demand that nothing can be done with regard to it, for it is a spontaneous feeling in the hearts of the Chinese, spontaneous in the sense that it was not artificially created by Chinese authorities but is the natural outcome of Japanese aggression in China. That was said by the Mayor of Canton. Nothing truer than this can be said. There is no need to elaborate upon it. Anti-Japanese feeling is strong, and is growing stronger. There is a boycott of Japanese goods now openly fostered; previously it was a boycott against “smuggled goods,” so termed in order not to offend the Japanese.

There is a feeling against Japanese concessions and Japanese consulates; against Japanese armed

incursions into Hongkew and other places; against the importation of opium and the manufacture of heroin; against Japanese soldiers who bayonet Chinese women and machine-gun Chinese non-combatants; against Japanese aeroplanes which bomb defenceless villages and crowded refugee trains; and against Japanese spokesmen who talk glibly of "chastising the outrageous Chinese." What has amazed me has been the physical forbearance of the Chinese towards Japanese civilians. Until hostilities commenced in Shanghai, when the Chinese population was thrown into panic very near madness by the sudden raids of airplanes dropping bombs into the streets, not a single Japanese civilian going about his peaceful business had been molested. The proof of this lies in the fact that there were thousands of Japanese living in all parts of China, and doing business there; that they could walk the streets of the cities and go into the inland without danger; and that trouble started only after the hostilities commenced in Shanghai. It would have been miraculous if incidents did not arise at that stage.

The Chinese are a remarkably docile and unwarlike race; their docility is notorious. It is due to this quality that the national authorities have found such difficulty in rousing the people to political reconstruction. It took twenty-five years of immense and concerted endeavour to build up a national consciousness, and even this endeavour was not altogether successful, until Japanese invasion gave it a final spurt in July, 1937. It takes a great deal of provocation to rouse this forgiving people; they like being left alone; their philosophy is peace, conversation and tea-drinking. I am not talking of the bandits in the wild regions of the north and west; these are to be

found in every undeveloped country; for example, the North-West Provinces of India. I am talking of the great mass of the people in the cities and the villages, and in the thousands of miles outside the wild regions of the north and west: I have seldom found a kindlier people.

Regarding the suppression of Communism, again this is the internal affair of the Chinese Government. If they choose to have Communists or to suppress Communism, surely that is their own affair. In Japan they suppress all liberal opinion, not merely Communist opinion. Trade unions and labour leaders are suppressed with equal determination, and "dangerous thought" is a punishable offence, its undefined definition as wide as thought itself. Under this provision of Japanese law Sir Stafford Cripps would have been shot long ago, Strachey strangled and Attlee guillotined; as to what would have happened to Upton Sinclair and H. L. Mencken of the United States, or mild H. G. Wells, Maxton or Bernard Shaw, I shudder to think.

As a matter of fact Communism has been severely suppressed in China. For several years Chiang Kai-shek waged a relentless war against it, led his armies into the south, and drove the Communist armies in ever-dwindling numbers into the wild and sparsely populated regions of the north-west. He used against them every means known to modern warfare, such as airplanes and heavy artillery. In the cities of China there are few if any Communists. If you talk to a Chinese of Communism, you will never see him again. He will think that you have set a trap for him, to hand him over to the police for summary execution. He will avoid you like a pest. The Japanese have nothing to complain of about the

Chinese Government's handling of the Communist situation.

This Japanese talk about Communism, seeing that they are so insistent about it, ought to be directed against the danger at home. But they are going the worst possible way about it. The intolerable burdens of taxation caused by the North China hostilities, added to an already overtaxed and generally poverty-stricken working population, threatens the stability of the whole Japanese economy. The adventure in North China, which started as an attempt to divert attention away from internal problems of industrial unrest and onerous taxation by a small localized war and a quick easy victory and is growing into a prolonged and expensive war, is the worst possible way of meeting those internal problems. For a short time and a short war the diversion might have worked, but in a long war with the necessity of more taxation and the fact of shrinking trade those problems must become more acute. War is the best planting ground for Communism. The condition of Europe after the Great War illustrates this. Capitalism is beginning to learn that not militaristic diversions but sound economic reform is the best way of combating Communism, and that, if capitalism is to be saved, another world war, or even prolonged local wars, must at all costs be avoided.

Therefore it is Japan who is intensifying the very evils she so insistently denounces. It is the lack of imagination (which even the *London Times* recently attributed to the Japanese), or rather it is the warped imagination of the Japanese militarists, which has allowed them to play nothing more nor less than a trick upon the powers of Europe by their anti-Communist talk in China and in international affairs

generally. While bottling up Russia by deluding Germany into an anti-Communist pact of friendship, so that she could proceed against China without interference from Russia, she continues to harp upon the non-existent Communist menace in China in order to puzzle and bewilder European countries into a state of acquiescence in her policy, and has led them into a vague belief that the conquest of North China is a preliminary step to the conquest of Russia. Nothing is further from reality. I shall show in a subsequent chapter that Japan's drive is southwards and westwards, not northwards; along the Pacific coasts and not towards Moscow. And her drive that way will be dictated by the same reasons as her drive into North China is dictated to-day: the economic objectives of which I have spoken in this chapter, the coal and iron and cotton-fields of China, and the imperative need, lately intensified, and coinciding with her recent shortage of iron and coal, of wresting these things from China for her own exploitation.

[REFERENCES: Dr. Hsu, *North China Problem*, statistics on China and Japan, speeches by Japanese statesmen, articles, documents, etc.]

CHAPTER XII

THE VILLAGE-BOY OUTLAW WHO DECIDED TO CREATE A NEW CHINA

"PEOPLE of China! Rise with one heart, with love of your native land, to drive out the old and create the new! Repeat sincerely and truthfully the oath of allegiance to the Chinese Republic which I have taken:

"I, Sun Yat-sen, truthfully and sincerely take this public oath: that from this moment I will destroy the old and build the new, and fight for the self-determination of the people, and will apply all my strength to the support of the Chinese Republic, to the realization of democracy . . . to . . . the strengthening of the foundations of the State, in the name of peace throughout the world."

Never was stranger oath taken by the president of any country; but never was there a president quite like Sun Yat-sen, father of the Chinese Republic.

Nearly all his life he fought to make China a republic and to establish a democratic government. Yet no sooner did he become president than he resigned and went into semi-retirement. All his life he was a student and a theorist—his books contain brilliant incursions into the Chinese classics, modern philosophy, astronomy, physics and political economy—yet he ended up by becoming a general, a generalissimo.

He never ceased to denounce the civil wars which raged in China, and spent a life-time preparing a

great work, which was to be the peaceful political and philosophical basis of the new State, only to see the house in which his notes and manuscripts lay go up in flames as a result of a rebellion against his authority. In the end he gave the fruits of his intellectual labours to his country in the form of a series of lectures at conferences called to discuss the "Reconstruction of China," and these almost haphazard lectures were taken down in shorthand, published into pamphlets and books, and became the basis of modern Chinese political philosophy, and the guide and instruction of political leaders, students and the makers of the new constitution.

He died in 1925, but his photograph can still be seen in numerous humble homes, and the replica of his head adorns the coins and stamps and paper currency of China to-day, a man who, while he was alive, was unknown, except by name, to the Chinese people; in death his features are familiar as a living king's.

He was altogether unlike the leaders the Chinese were accustomed to have—great fighters, war lords, men who lived in magnificent splendour, with gilded palaces and resplendent uniforms—he was a small man, a doctor of medicine, rather shabbily dressed—but when he died cities and towns and villages, universities and colleges and schools vied with each other for the honour of using his name, until there was such an embarrassment in nomenclature that such descriptive appellations as "Sun Yat-sen University, Number One," "Number Two," and so forth, had to be added to the names of universities, schools and villages. There is a Sun Yat-sen street in every town in China and in many of the cities of the world which have a "Chinatown."

While he was alive there was a price of three-quarters of a million on his head; yet no man in or out of China, where there are so many poor and starving, betrayed him during the period of his revolutionary activity.

There were in later life millions who would have died for him; in his youth—"I was avoided like a plague. My three companions and I, who spent our time reading the history of revolutions, were called the four great and inseparable scoundrels."

An unending stream of money poured into his account from his supporters all over the world in order to finance "the revolution"; he handled enormous sums; he was given as a donation by his admirers a small house in Shanghai, and lavished with what were termed personal gifts; he lived frugally and spent nothing on himself; it was an age and a country in which graft was a tradition and political leaders died young but wealthy; yet this is his short and rather pathetic last testament:

"Because I have devoted myself to the service of the nation, I did not have time to work for my family. The books, clothes, the house and other personal belongings that I have are to be left to my wife, Sun Hing Ling, as tokens of remembrance. My son and daughters have grown up. They can stand on their own feet. I sincerely hope that each of them will take good care of himself or herself, and continue the work which I undertook. This is my instruction."

Perhaps it was this simplicity, this perfect honesty, which won for him such an unequalled place in the hearts of four hundred million people. "As tokens of remembrance"—nothing else. Modest in death as he was in life.

"For thirty-one years," he said in his autobiography,¹ which contained hardly a word of himself, and was devoted almost entirely to China's struggle for liberty, "I have toiled hard for the welfare of the Chinese people. My life has been consecrated to the Chinese people, and the devotion to the tasks I set myself has remained unchanged during this long period. Neither the might of the Manchu dynasty nor all the misfortunes of my life availed to turn me aside from the aims I placed before me."

How full that life was of misfortune, of exile and escape, of suffering and disappointment; yet how full of tolerance and forbearance!

If one could be accounted a friend of the Chinese people, it is to the teachings of Sun Yat-sen that he should advise them, for he loved his country so deeply, his brilliant mind was so entirely bent to its service, his toleration and his vision were so wide, that in his teachings there is inspiration and hope for China.

He was born in 1866, in a tiny Chinese village, where the people laboured from early dawn to the setting of the sun. Their only moments of relaxation came at noon, when the sun was too hot for work, and they had to retire to the shade of the trees. All the year life was the same unceasing struggle. Planting and reaping, sowing and weeding, threshing and planting, reaping and sowing, in an endless cycle. Prices rose and fell, and with them taxes and costs—in the end it made no difference. Sacrifices were made to the idol gods, taxes were paid to an idle government.

"About a month before Yat-sen was born," his mother told a friend, "I had a dream which greatly troubled me. There came to me the great god Buck

¹ *The Memoirs of a Revolutionary.*

Dai in our village temple. He had his hair hanging down as our people wear it in times of sorrow. He was weeping and looked sadly at me. As if he were much worried. When I awoke the thought came to me that the child I was soon to bring into the world would cause him some injury. When the child was born I chose the name Tai Cheong for him, the servant of the god Tai, and I have always called him that, and if he would have lived up to its meaning, he would never have brought this trouble upon his family. Oh, Tai Cheong, why did you take up with the ways of the foreign people!"

The poor mother of Yat-sen spoke these words in exile, when his family had to flee from the wrath of the mighty Manchus. Sun Yat-sen had brought evil to his own household.

He was thirteen when he left home, a perverse young character, to join his prosperous elder brother in Honolulu. Here he learnt English and English history, was taken up with the story of Cromwell, and became converted to the Christian faith.

"What!" said his father in an indignant letter to his elder son, "he has become a Christian! Send him back home. I will take this Jesus nonsense out of him. I will see whether he will abandon the religion and customs of his ancestors for the superstitions of the foreign devils."

The religions of the West were more subtle than the religions of the East. There were no idols whose noses might be twisted with impunity.

Sun Yat-sen reached home, and before long showed what revolutionaries have in the blood. He went with a few young followers to that same god Buck Dai, in the village temple, and broke off his upraised finger. "See," he cried, "I defy your idolatrous

gods. Can they assist you, who cannot resist even my attacks upon them?"

There was consternation in the village. "It was my first revolutionary act," he later declared. It was the inspiration behind the recent decree of the modern Chinese Government to destroy all the idols in the temples of China.

He had to leave the village, and went to Canton, a few miles from his home. There, knowing English, and being of service to the missionary society which he joined, he was assisted by Sir James Cantlie, dean of the Medical School attached to the mission, to become a medical student. "I don't quite know why," said Sir James, "but there was something in his personality that attracted people and made them want to help him."

The story of his studies is in itself an epic. He qualified, and went to Macao, a Portuguese concession, to practise. But from the first his mind was in politics, and when this disease attacks one, it is good-bye to any other career. Here he met members of the Young China Society, the objects of which were to bring democracy and modern education to China.

He returned to Canton and formed a revolutionary society, under the auspices of which he drew up a petition to Peking, asking for modern education for China. So literary and learned was the petition, that henceforward he was to be known by the name which, in the pride of his achievement he then gave himself: Sun—the scholar, Yat-sen—free spirit. The scholar of the free spirit! (Sun was the family name; Tai Cheong was his "baby name.")

But no more ironical name was ever given to a man. Never was spirit or body less free. The petition to Peking aroused grave suspicion against

him. "The old learning has made China great," said the deluded mandarins of Peking, "and there is no need to imitate the ways of the barbarians of the West." He learnt thus early what many have not yet learnt, that petitions are useless for purposes of reform, and he became a revolutionary in its accepted sense. He and some friends began to collect funds—one of them sold his village lands and his wife's jewels—and put the money into barrels of "English mud," *i.e.* cement, which contained arms and ammunition for a full-dress rebellion, but the plot was discovered and the young revolutionary fled to the scene of his early education, Honolulu.

Here he formed the Progressive Chinese Society, which in one form or another was to spread to all parts of the world. He gave lectures and taught his followers military strategy—of which he knew nothing. From Honolulu he went to San Francisco, and from there to England. Here, for a while, he lived with his old teacher, Sir James Cantlie, to whom he owed not only his medical degree, but during this visit, his life. He was decoyed into the Chinese Embassy in London and flung into a dark cellar, to be kept there until the Embassy could charter a ship to take him to China for execution. No one knew where he had gone, and it was only by accident that the wife of one of the English servants in the Embassy heard from her husband that a man who claimed to be a friend of Sir James Cantlie was being held by the Chinese Ambassador. Sir James acted on the mysterious unsigned note which he received, and he went to Scotland Yard, and eventually to the Foreign Office. Lord Salisbury protested to the Chinese authorities against such behaviour on English soil, and Sun Yat-sen was released. His imprisonment in

London made him a hero throughout the western world, a hero fighting for his country's liberty. At that time the West could be stirred by the idea of liberty; to-day China has a graver, a more tragic struggle.

From London he travelled the world, with eventual headquarters, such tricks does Providence play, in Japan, because it was near to China. From Japan he was able to visit China often, travelling as a coolie, a pedlar, a Japanese; dressed sometimes as a woman, at other times like a beggar.

In 1900, with Hong Kong as a base, he planned a coup. He had six hundred followers in Canton. Six hundred against six hundred thousand Imperial troops! The Imperial troops put him to flight, and once more he became a vagabond conspirator.

But he came back, 1904. A barrel of "cement" fell from a sling and burst on a wharf, scattering pistols on all sides. He disguised himself as a woman and escaped to Hong Kong, then to Singapore. A price of three-quarters of a million was offered for his head. His head only, not his body.

Yet he returned, 1907. But his few followers were put to flight. He escaped dressed as a beggar.

A few years later a bomb exploded by accident in Hankow. By now he had followers all over China. He was a legend, for the people hardly knew him. The explosion caused the Imperial troops to rush to Hankow. There was a short clash, and the troops joined the rebels. A republic was declared on December 2, 1911.

Sun Yat-sen was abroad. When he landed at Singapore the surprised village-boy outlaw was hailed as the Liberator of China.

He became president, but the Manchus still reigned

at Peking. He approached Yuan Shih-kai, commander of the Imperial Army who had joined the rebels and who was in a position to force a bloodless abdication. Otherwise it meant marching north to Peking, and a long and terrible civil war. Sun Yat-sen was always against civil war. Yuan Shih-kai undertook the responsibility—at a price, and Sun Yat-sen resigned the presidency, after having held office only a few weeks.

The people did not want Yuan Shih-kai as president. There was suspicion, discontent, a threat of counter-rebellion. But the motives of Sun Yat-sen were never questioned, and the people listened to him. "Yuan Shih-kai has given his adhesion to our cause and is one with our aspirations," he said. "He was our opponent yesterday but to-day he is our friend. When he comes, give him the welcome of a united people. When I retire to private life, I shall be a citizen as one of you, and shall try to forward to the best of my ability the interests of the Republic."

Here was a man who all his life seemed to have struggled for power, and when he obtained it gave it up lightly. This was something new in China. The people listened to him, but they thought he was making a mistake. General Huang Hsing, the faithful commander of his forces, who had struggled with him for years, wept bitterly. Yuan became president and the Empress abdicated on February 12, 1912, two months after the declaration of the Republic.

But Sun Yat-sen had made a mistake. Yuan planned to occupy the vacant throne and publicly made preparations to that effect. China, rid of one tyrant, was to receive another. Yuan's troops attacked Sun Yat-sen, and once more in disguise, with his

faithful Huang Hsing, he escaped, and after the most terrible experiences, reached Japan.

In time Yuan died, without having carried out his plans, for civil war reigned in China. In 1917 Sun Yat-sen returned to Canton (he had been living in the French Concession in Shanghai for 3 years) and set up an independent government in the south, of which he became Generalissimo.

On the political horizon of the north, figures came and went. Civil war tore China to shreds. After Sun Yat-sen's death in 1925, General Chiang Kai-shek marched northwards and in 1927 established Nanking as the capital of all China. There, a great memorial was erected to Sun Yat-sen, and at last a new era dawned. A new nation was to be built, step by step, slowly, laboriously, painfully.

It was in this that Sun Yat-sen's greatest work was seen. As a commander, as a ruler, he was not a success. Not even as a practical revolutionary. He stumbled too often; he could not consolidate what he had won by his brilliant gifts as a propagandist.

In Canton he delivered his lectures. In Canton he dreamed and planned and worked. "China," he said in one of his books, "possesses colossal territories, incalculable wealth, vast quantities of human energy, and in spite of all resembles a rich old man, who possesses extensive parks, lands and treasures, and a large family, but is incapable of keeping house. The lands are deserted and overgrown with weeds, the treasures are kept under lock and key and left without use, while the children and grandchildren are idle, and hunger and cold reign in the house. The house of such an old man gives us the picture of China to-day."

What was to be done with this vast nation of four

hundred millions, which he likened unto "loose sand" for it had no binding? It had no national consciousness, no will to become great and united and prosperous.

He told his audience a story:

"There was once a coolie," he told them in the direct, simple anecdote a coolie could understand, "who, at the steamer jetties, daily carried the passengers' baggage by means of his two ropes and his bamboo pole. He earned his daily bread carrying his daily load. In the course of time he managed to save ten dollars. The Luzon lotteries were then in favour, and the coolie spent his ten dollars to buy a Luzon lottery ticket. Having no home, he had no place to store his belongings. Thus he had no place to hide the lottery ticket which he had bought. His sole means of livelihood were his bamboo pole and his two ropes, which he carried with him wherever he went. So he hid the lottery ticket inside the bamboo pole. Because the lottery ticket was hidden in the bamboo pole, he could not take it out whenever he pleased to look at it. Therefore he had impressed the number of the lottery ticket indelibly on his mind by repeating it constantly. On the day of the lottery drawing, he went to the shop to compare the numbers. As soon as he saw the schedules he found he had won the first prize which would bring him a fortune of \$100,000. He jumped for joy and was almost on the point of becoming insane. Thinking that henceforward he would never again need his bamboo pole and his cords to earn his living, and that he would be a rich man forever, in his excess of joy he took the pole and the ropes and threw them into the sea."

Though China was to destroy the old and create the new, she had to go carefully. She had to use the

old, not throw it away recklessly. He realized the difficulties he would have to contend with in the mentality of the Chinese, in their customs. He would have to work in a different, perhaps in a novel, way.

"A Chinese," he declared, "may not care about the extermination of his country nor about who is going to be his emperor, since he has to pay taxes all the same. But if there was a question of exterminating his clan, then, for fear that the ancestral continuity of blood and sacrifice be broken, he could not help going to fight even at the peril of his life. . . . Let us use these small foundations of ancestry to build up a strong nation. Suppose China now has four hundred clans; it will be as if we were working with four hundred individuals. . . . In the name of the same clan, let us first group together the people of one village, of one town; then enlarge the group till it includes the people of one province, or even the whole country. Each family name will thus become a very large and united body. For instance, if we unite all those who bear the name of Chen within a village, within a town, and within a province, then, by using their original organization as a basis, in two or three years, I think, the Chen clan will become a very large association. . . . Then we shall inform those family associations that grave misfortunes are threatening them, that their death hour is approaching, and that they must unite in order to form the still greater national association of the Chinese Republic. . . . Formerly Japan united the interests of the feudal princes of the *uji* (clans) and of the *be* (castes) in order to form the great Yamato race. The reason why Japan made use of the interests of the feudal princes of the *uji* and the *be* was the same principle as the one I have just advanced, namely,

that we must use the interests of the clan to unify the Chinese race."

The people listened to this kind of language. He was a past-master in the art of propaganda. I have taken these quotations from the book which was the result of his lectures, *San Min Chu I* or *San Minchui* (the three principles of the people—economic, social, political). In it he propounded his theories, his views of government, what the constitution of China was to be, and even how the Chinese were to act in their daily lives.

San Minchui, as a book (with the obscure English title of *The Triple Demism*, from the Greek *demos*, the people), is an encyclopædic work. It touches on every field of human knowledge: Chinese and foreign history, sociology, science, political economy, ethnology. It mentions the ancient civilizations of Egypt and Mesopotamia, European feudalism, the American, the French, the Russian and the Turkish revolutions. It studies in turn famous personages such as Cromwell, Danton, Gandhi, Lenin, Lincoln, Napoleon, Stuart Mill, Washington. It discusses birth-control, emigration, labour unions, strikes, unearned increment, the regulation of capital, Communism, Internationalism. It goes into details about irrigation, afforestation, crop rotation, water conservancy. It discourses on strategy, warships, machinery, gravitation, electrification, smokeless powder. It consists of exactly a thousand paragraphs; in book-form about five hundred pages. Never had the Chinese language expressed so many new ideas. And the language he used was smooth and flowing; simple, direct, inspiring.

San Minchui became the bible of the Chinese people. It was taught in the schools. It was the pocket

reference book of orators and public men. "It is in *San Minchui*," it would be said. That was enough.

Besides the merits of the book itself, there were other reasons which made the views of Sun Yat-sen respected. When he died, the people read his will. A small house—"as a token of remembrance." "Because I devoted my life to the service of the nation, I did not have time to work for my family." Did not work for his family! That was considered sacrilege, a crime greater than any on earth. Then they remembered that he had given up, first, the presidency, later, in Canton, the directorship of railways, a post worth \$40,000 a year. They remembered that when he became ruler of the southern republic, his prosperous brother, who had helped to educate him in Honolulu, who, proud of the youngster who was travelling the world awakening the scattered Chinese, who was making visits and raids into China dressed as a coolie or a beggar, whose name was on every Chinese lip—this brother had given liberally to the funds of the revolution. "I want a governorship," he said to Sun Yat-sen. "I have rendered you great services."

"Yes, you have rendered me great services, but—a governorship?" Sun Yat-sen declared.

"Yes, the governorship of Canton!"

"But you are not fit for such a position. You have not been trained. You can hardly write. Canton is a great district."

"Then you refuse?" said the brother.

"I am afraid," Sun Yat-sen replied, "government posts are not to be given by favour. They are to be given on merit."

"Is that final?"

Sun Yat-sen, who loved his elder brother, was almost weeping. "It is final," he said.

"You owe me a lot of money," the brother said, "the money I gave to you from time to time."

"How much do you say it is?" asked Sun Yat-sen. "The money that you gave to the revolutionary cause——"

"That I lent to you. Twenty thousand dollars."

"I shall try to return it to you."

Sun Yat-sen went to his friends. He obtained the money, and his brother built himself a magnificent house in Hong Kong with it. A few years later Sun Yat-sen died bankrupt.

This man, said the people of China, this man who became President, died penniless. He devoted his life to the nation, to the people, to us. He set a new standard in public conduct. He was an example in rectitude, in self-sacrifice. China wants leaders like him.

They built him a memorial in Nanking, a memorial in a public place in the name of the whole Chinese people, the coolies and the governors, the peasants and the generals, the small traders and the capitalists. It had never been done in China before.

Chiang Kai-shek married the sister of that wonderful woman, Madame Sun Yat-sen, who holds an unequalled place, on her own merits and not in reflected glory, in the hearts of the common people of China. Her gifted sister, Madame Chiang Kai-shek, is the leader of the New Life Movement, the individual culture movement in China. Both women are sisters of the famous T. V. Soong, the unofficial financial adviser to the Chinese Government and a banker of repute. Another sister married Dr. Kung, the present Minister of Finance. Sun Yat-sen's son, Sun Fo, is

president of the Legislative *Yuan*. Everywhere in China young men inspired by Sun Yat-sen are coming to the fore, and a great era of national reconstruction is slowly taking place. From 1925 until 1931, and later, there were civil wars and internal troubles, but during the last few years national unification has made great strides and it could be said without exaggeration that at last China had a stable and progressive government.

What she now needed was money, energy and freedom from external menace.

It was Sun Yat-sen's idea to invite the great Powers of the world to put part of the money they were spending or intended to spend on armaments at the disposal of China in order to develop the country along economic lines, a fair rate of interest to be paid for this money, and the capital to be paid back at regular intervals. China, he said, needed machinery for her vast agriculture, her rich, unexploited mines, for factories, railways and public utilities. "The workshops that turn out cannons," he wrote,¹ "can easily be made to turn out steam-rollers for the construction of roads in China. The workshops that turn out tanks can be made to turn out trucks for the transportation of the raw materials that are lying about everywhere in China. And all sorts of war machinery can be converted into peaceful tools for the general development of China's latent wealth. The Chinese people will welcome the development of their country's resources, provided that they can ensure the mutual benefit of China and the countries co-operating with her." If this scheme could be carried out, he said, China would become the "economic ocean" of the world. A new world in the economic sense would rise

¹ *The International Development of China.*

up; the co-operating nations would reap immense advantages.

In order to carry out this gigantic project, he proposed that the various governments of the capital-supplying Powers should form an international organization in order to formulate plans and standardize materials.

He sent some of his friends to England and the United States to implore the help of the Powers. But it was in vain.

Sun Yat-sen's scheme was too bold to be entertained. The Chinese Government had to proceed along orthodox lines. It raised smaller loans; it set its financial house in order. It began to build roads, to extend railways, to reorganize its army, for it feared aggression. The work of the Chinese Government during the last five years has been immense. Its immensity can be realized when it is borne in mind that the first and paramount fact of Chinese economy is the appalling poverty of the Chinese masses. The second fact is the illiteracy of the people. The third is the lack of national consciousness. The first is being attacked from many angles: agriculture, development of resources, such as minerals, a better distribution of the products of agriculture and industry through an extended road and railway system, the reformation of taxation—in some districts taxation was crushing, taxes having been paid years ahead—reformation of the land tenure system in an endeavour to abolish the extremely high rentals in the form of product-sharing with the landlords, and so on. The second is being tackled by a great campaign against illiteracy, and the introduction of a modern educational system. A few facts will illustrate what is being done.

There are, it is estimated, some 40,000,000 children of school-going age in China, and more than half of them are not at school, despite the improvement in the last few years. The Ministry of Education plans to give 80 per cent. of the school-age children free educational facilities through its five-year plan of compulsory education. The number of school-going children increased by 5,000,000 during 1936. In 1936, also, more than 12,000,000 grown-up people learned to read and write through the facilities provided by the Government, more than 4,000,000 special text-books for mass education were supplied (it is good to notice at street-corners and in alley-ways young Chinese reading these books and arguing about the meaning and spelling of words), more than two thousand radio sets have been installed in places where people could listen to the Government educational broadcasts, large sums have been voted for educational films. The problem of teachers is slowly being met. Colleges have been established which already are turning out 22,000 elementary school teachers annually. Great universities have been opened, one of the finest of the new institutions being the University of Nankai at Tientsin, with its Middle School attached to it; but both these institutions were destroyed by the Japanese early in August. "These educational institutions," the Japanese declared officially, "were destroyed because all Chinese educational institutions foster anti-Japanese feelings." We are thus faced with the prospect of the destruction of the entire Chinese educational system, not only the new buildings erected during the last few years, but the old institutions which owe their origin and existence to foreign funds, to the mission societies, to the American share of the Boxer Indemnity, which the

American Government is devoting to Chinese education. There are several great universities in Shanghai, Canton and Nanking. Shanghai alone has four, and one of them has already been threatened.

What has been done in Greater Shanghai is also an example of the progressive spirit of the new administration. After the destruction of Chapei by Japanese bombs in 1932, the civic administration set about restoring confidence and working out a five-year plan of improvement. The five years had ended a month before the Japanese again attacked the city and destroyed much, perhaps everything that had been achieved: the rebuilding of Chapei, now once more in ruins; the construction of the modern and artistic Civic Centre, a large part of it now destroyed; the new stadium and swimming-pool, the great municipal library buildings, the municipal museum; the model villages for the working people, with rents as low as four shillings a month—these are now empty. The scheme of a Greater Shanghai was one of the dreams of Sun Yat-sen. The Chinese portion of the city was given a special status, equalling that of a province, in 1927.

In China there are Educational Service Corps, organized by the universities and colleges, to educate public opinion in the villages and on the farms. Groups of students and voluntary workers go out spreading the drama, giving lectures, teaching the peasants useful scientific methods of agriculture, illustrating their teachings with lanterns and slides, and generally arousing the backward areas to a realization that a new world must arise in the East, a world of material development, of scientific progress, a world free from the superstition and the inwardness of ancient China. This movement has had a great

deal to do with the building up of a national consciousness. The Chinese are beginning to talk of such things as "National Government," "elections to the Legislative Assembly," "the Chinese nation," "the salvation of the country," and so forth. They are beginning to take an interest in public affairs and their thoughts are moving rapidly towards discussion of government affairs in both local and national spheres. Ordinary peasants are beginning to speak of having a "duty as a citizen of the Republic of China." Those who knew the old China will recognize what an immense advance this simple phrase on the lips of a peasant means.

Along with all these advances, the development and reform of political institutions and administrative bodies is proceeding. China, from end to end, is being overhauled politically. Elections have already been held in many parts of the country for the People's Congress, a kind of great national convention to approve the new constitution. Parts of North China were to elect their representatives in November, 1937, and preparations were afoot as enthusiastically as they were in other parts of the country. Elections were held even outside China, so that Chinese all over the world could be represented at the national convention. The four hundred thousand Chinese in the Malay States were electing their representative as I passed through Singapore. It is a great event in China's new life; in North China it had an even greater significance. It meant the end of Japan's policy of autonomous régimes. Is it to be wondered at that Japan began using every means in her power to destroy the new China at this stage? If she waited any longer it would have been too late.

Everything that China has done in the way of reconstruction and unification and stability has

annoyed Japan. If China reforms her currency, it is termed an economic threat, and Japan endeavours to undermine the stability of that currency by counterfeiting, and importing Manchukuan notes. (To such an extent was this carried in North China, that for the last few months before hostilities broke out Chinese paper money was accepted only at a discount in Peiping.) If China strengthens her national government and reforms provincial administrations, Japan accuses her of destroying the peace of East Asia. If China refuses economic co-operation joined to political subjugation, she is called anti-Japanese. If China wants to be left alone to work out her own salvation in a quiet business-like way, she is said to be insincere. If she protests against the invasion of her territory by foreign troops, she must be brought to her knees.

The burdens on the shoulders of Chiang Kai-shek and the Chinese leaders during the last few months have been intolerably heavy. On the one hand was their policy of reconstruction, of utilizing Chinese resources for the improvement of the country, of obtaining foreign loans, of developing the national consciousness; on the other hand, the Japanese have been endeavouring to snatch away the very resources which the Chinese required, and have been creating that unrest which would prevent the granting of loans. They have been subjecting the Chinese to national humiliation while Chiang Kai-shek was preaching national pride.

Chiang Kai-shek obviously wants peace. How could development and national reconstruction go on when there is war! He had sent Dr. Kung, the Finance Minister, abroad long before hostilities started, to obtain credit or loans; after long negotiations arrange-

ments for loans and credits were made. And then came the war.

Chiang Kai-shek was cautious to the point of exasperation. The young men of the country were demanding that the North be defended at all costs, that millions of men be thrown against the Japanese before they had the opportunity to send reinforcements. The public, indignant, clamoured for action. I believe—I had information, but I give it with every reserve—that Chiang Kai-shek thought that if the Japanese took Central Hopei and South Chahar, it might be statesmanship not to attack them there; perhaps Japan would be satisfied for a few years. China might then prepare steadily, achieve national reconstruction along with the strengthening of the nation's armies and defences, and when Japan attacked again embark on a great and final war against the invaders. Whatever his views, he was certainly in a dilemma. He was once called hot-headed and impatient; but in the last year or two he has shown forbearance and patience to a remarkable degree. I believe that in the end he will be seen to have acted wisely. By his caution, his seeking for peace until the last moment, his care to do everything and anything to ease the situation, to prevent aggravation, he has won for China the sympathy of the civilized world.

In the background of the New China, the resources of North China, and the Japanese situation at home, can be seen the causes of the present Japanese war against China.

[REFERENCES: Sun Yat-Sen's works, biographies, Chinese Government statistics, speeches by Chinese leaders, China Year Book, articles, etc.]

"International relations are quite unlike relations subsisting between individuals. Morality and sincerity do not govern a country's diplomacy, which is guided by selfishness, pure and simple. It is considered the secret of diplomacy to forestall rivals by every crafty means available."—Count Okuma, late Japanese Minister to China, in his *Published Papers*.

"In no other part of the earth are there at the present day such potent and dangerous possibilities. Concerning no other area does there exist such abysmal ignorance."

"The Pacific is America's front door to the world, the Atlantic merely a side entrance."—Morse and MacNair, *Far Eastern International Relations*.

"The problems of the Pacific are the world problems of the next fifty years or more."—General Smuts, Speech to the Imperial Conference, 1921.

"The rise of an Eastern Power (Japan), great and determined enough to challenge Europe and America, may mark the decline of western mastery of the world."—Edgar Snow, *Far Eastern Front*.

CHAPTER XIII

JAPAN LOOKS AT THE WORLD

"IN order to conquer China, we must first conquer Manchuria and Mongolia. In order to conquer the world, we must first conquer China. If we are able to conquer China, all the other Asiatic countries and the countries of the South Seas will fear us and capitulate before us. The world will then understand that Eastern Asia is ours. . . . With all the resources of China at our disposal, we shall pass forward to the conquest of India. . . . One day we shall have to fight against the United States of America. If we wish to gain control over China we must crush the United States. . . ."

"England is on the down grade. Japan has started on the up grade. The two must come into collision, because England is trying to hold on to what she has, while Japan must perforce expand. Territorial resources England has in abundance; she can afford to relinquish some. Japan has insufficient, and to her they are a matter of life and death. England had better swallow her pride, make concessions, and avoid a struggle. The Empire of the Rising Sun must have full freedom of action in Manchuria and China, and find open doors and open arms in Australia. . . . Should Britain not understand the elementary components of the present problem, Japan would

profit by the weakening of the British Empire, the apathy of the Dominions, and the weakness and the decadence of the British Navy; she would suddenly attack that navy when it is scattered throughout the seven seas. Australia and New Zealand would be the first aims of Japanese conquest. Hong Kong would be taken quickly, and India would be helped by an invasion."

The first of the above quotations is taken from what is known as Baron Tanaka's Secret Memorandum to the Emperor of Japan. The second is taken from a book by Lieutenant-Commander Tota Ishimaru, *Japan Must Fight Britain* (1935). The Tanaka Memorial, issued in 1927, has been declared to be spurious, but it has never been officially denied. Why anyone should want to forge a document of that kind cannot be explained. But the question of its authenticity is immaterial, for two reasons: the policy enunciated in it has been followed in every detail in regard to China, and its contents have for years formed the subject of the public speeches and statements by the War Office, General Araki, the Black Dragon Society and the officers of the military party. General Araki, who was Minister of War in 1932-3, continually spoke of British oppression in India and Japan's divine mission in Asia. General Tada, commander of the Japanese garrison in North China, on September 28, 1935, issued a pamphlet declaring that "the international situation . . . may be regarded as the beginning of a racial war for the emancipation of the coloured people who form the greater part of the human inhabitants of the world from the enslaving oppression of the whites. . . . It is also the beginning of a spiritual war for rectifying the material civiliza-

tion of the West by the moral civilization of the East. These two great missions from heaven are the natural obligations which our Japanese Empire must bear."

These grand statements of policy and piety have two possible dangers: they may not be taken seriously by the West and may be taken seriously by the East. I have endeavoured to show what Japanese rule has in store for conquered territories. I wonder whether the peoples of India, the Philippines and Siam would relish conscripted labour, monopolized industries, opium traffic, the suppression of even a vestige of representative institutions, and the rule of a military machine. It is eighteen years ago that Dr. Paul Reinsch, a noted American scholar, then (1918) United States ambassador to China, wrote in a letter to President Wilson: "In its stead (*i.e.* the development of free institutions and education in China) there will come a sinister situation dominated by the unscrupulous methods of the reactionary military régime centred in Tokyo, absolutist in tendency, cynical of the principle of free government and human progress. If this force, with all the methods it is accustomed to apply, remains unopposed, there will be created in the Far East the greatest engine of military oppression and dominance the world has yet seen." These are strong words from a noted scholar and a great ambassador, but they went unheeded, as wise words often do; but what Dr. Reinsch wrote then is even truer to-day. That engine of military oppression has been extending its operations.

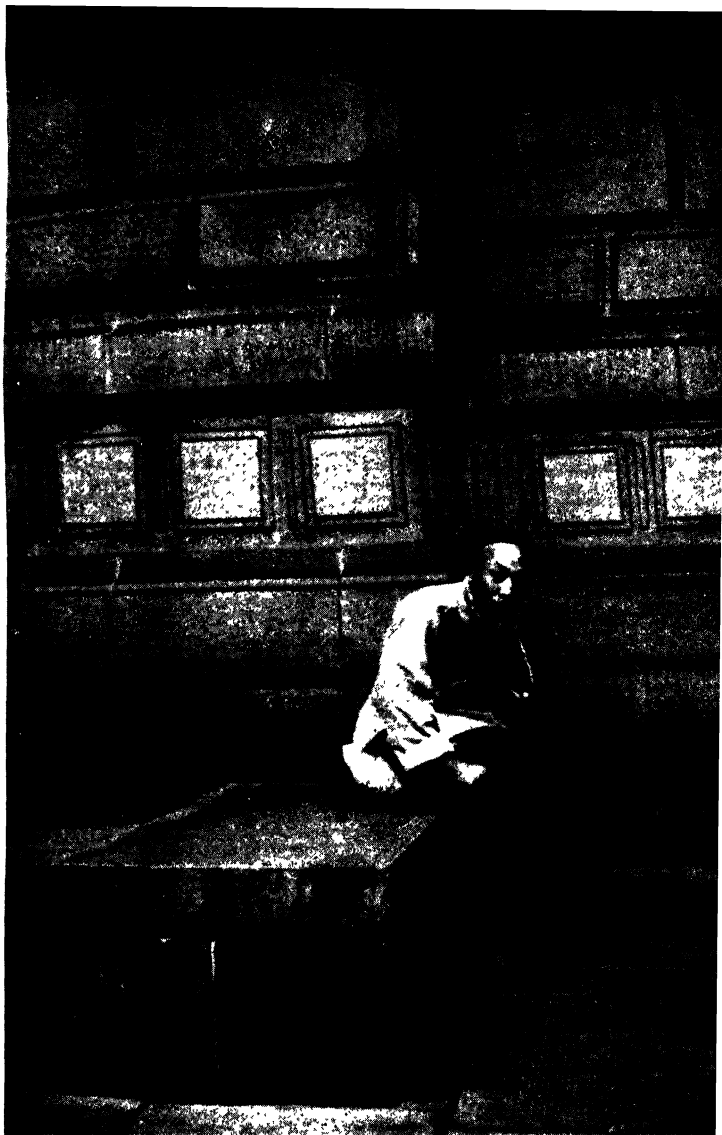
That Japan seriously, and as a matter of immediate practical policy, intends to oust the century-old interests of countries like Britain, the United States

and France in China, and eventually in South-East Asia, and to prevent any other countries, like Germany and Italy, from obtaining a footing in the East, is abundantly clear from the deliberate statements of policy issued from time to time by the Japanese Foreign Office or by Japanese statesmen. From the former on April 24, 1934, we have the following: "To keep peace and order in Eastern Asia we must act alone on our own responsibility. . . . There is no country but China which is in a position to share with Japan the responsibility for the maintenance of peace in Eastern Asia. . . . Any joint operations undertaken by foreign Powers, even in the name of technical or financial assistance, are bound to acquire political significance. . . . Japan must object to such undertakings as a matter of principle."

The day before, the Japanese Ambassador to the United States was quite as explicit. "Japan," he said in an interview with the *Washington Star*, April 23, 1934, "must act and decide alone what is good for China. . . . Business men will find it beneficial to consult Tokyo before embarking on any ventures in China."

Ambassadors do not make statements of this nature without being sure of their country's policy. Ambassadors, as a rule, do not make haphazard statements. "It is deemed advisable to make known the foregoing policy," the first note explained, "because gestures for joint assistance to China and for other aggressive assistance, by foreign countries, are becoming too conspicuous."

This statement came as a bolt from the blue not only to China but to the western Powers. Britain, whose ally Japan had been for forty years, was compelled to make what Sir John Simon in the House



This old Tibetan is dazed by all that has happened. He is sitting on a small bundle of clothes, near a blood-stain, on the Bund, after the afternoon's bombing. *Page 39*

of Commons on April 29, 1934, declared to be "a friendly inquiry . . . and to state that the British Government could not admit the right of Japan alone to decide whether any particular action, such as the provision of financial or technical assistance, promoted danger to the peace of East Asia . . . (To this inquiry) the Japanese Foreign Minister has given the assurance that Japan would observe the provisions of the Nine Power Pact (to respect the territorial integrity of China) . . . and would continue to attach the greatest importance to the maintenance of the Open Door in China."

The United States, through Mr. Cordell Hull, Secretary of State, at the same time declared that "recent indications of the attitude on the part of the Japanese Government regarding the interests of Japan and other countries in China . . . make it necessary for the American Government to reaffirm . . . that . . . no nation can . . . make conclusive its will in situations in which are involved the rights, obligations and legitimate interests of other sovereign states."

Japan, perhaps, got a fright, and ran to France in haste, without waiting for the French Government to present a note. "Japan," said the Japanese Ambassador to France, according to a report in *Le Temps*, May 5, 1934, "has neither impaired the independence of China nor her interests, and has by no means the intention to do so. On the contrary, Japan desires with sincerity to maintain the territorial integrity, the unification and the prosperity of China. These ends should, in principle, be attained by China herself, thanks to the revival of her national energies and of her own efforts. . . . Japan subscribes, naturally, to the principles of the Open Door and equal opportunity in China. She observes scrupulously all the treaties

and agreements in force concerning this country. However, Japan cannot remain indifferent to the eventual intervention of a third party . . . which . . . will be prejudicial to the maintenance of order and justice in the Far East, in the regions where Japan by reason of her geographical situation has interests of vital importance."

This, despite the last paragraph, was a far cry from the tone of the first declaration, and the French Government received the assurance "with satisfaction," and stated that in the eventuality referred to in the last paragraph Japan should be able to find "in concert with the other Powers, a solution in law, according to the principles which inspired the Washington Pact."

Italy, if her press was rightly informed, according to the *London Times* of June 2, 1934, spoke with a frankness which calls for admiration, "frankness," according to the Rome report of the contents of the Italian note, "befitting between two strong peoples, that a policy of monopolizing China would be dangerous. . . . Italy trusts that the acute political sensibility of the statesmen of the Empire of the Rising Sun will avoid the repetition of facts and words which in the eyes of certain people might make the policy of peace that Tokyo professes to be following, and certainly is following, appear other than that which is being sought."

That, for the time being, was the end of the matter. Japan decided that it was better not to talk too much, and to go on quietly with her work in North China.

But again the Powers got suspicious. On December 5, 1935, Sir Samuel Hoare, the Foreign Secretary, stated in the House of Commons: "There is a serious

cloud on the Chinese horizon, namely, the so-called autonomy movement in North China. Reports have been rife concerning the activities of Japanese agents, and the recent movements of Japanese troops have also been supposed to be connected with the autonomy movement. These reports caused the British Government considerable concern and the Chargé d'Affaires in Tokyo was therefore specially instructed to inform the Japanese Government of our concern and to say that we should welcome a frank statement of Japanese policy. The Chargé d'Affaires was informed that the autonomy movement was purely a Chinese movement, that the Japanese Government was watching it closely in view of their great interests in North China, but that any idea that Japan was planning military intervention was entirely unfounded. It was added that no Japanese troops had been moved into China as a result of the autonomy movement and that the garrisons in Peiping and Tientsin were below quota strength. . . . The situation is obscure," Sir Samuel said, "but I trust that the conversations proceeding between the Chinese and Japanese Governments will result in an amicable settlement of any existing difficulties. I can only regard it as unfortunate that events should have occurred, which, whatever the actual truth, might lend colour to the belief that Japanese influence is being exerted to shape Chinese internal political development. Anything to create this belief can only harm Japanese interests and hamper all desires for the friendliest mutual relations between Japan and China and their neighbours and friends."

Two days later Mr. Cordell Hull was even more outspoken. "There is going on in and with regard to North China a political struggle which is unusual in

character and which may have far-reaching effects. Persons mentioned in the reports are many. Action is rapid and covers a large area. Opinions with regard to it vary and what may come of it no one can safely undertake to say. But whatever the origin, whoever the agents be, whatever be the methods, the fact stands out that an effort is being made and is being resisted to bring about a substantial change in the political status and the condition of several of China's northern provinces. . . . The American Government is closely observing what is happening there . . . and expects respect by all nations for the provisions of treaties solemnly entered into. . . ."

The accusations in these declarations were perfectly obvious, but Japan paid no attention to them. In 1935-6 she continued her operations, both military and political, in Inner Mongolia and North China. On October 7, 1935, the Japanese Foreign Minister, Mr. Hirota, proclaimed his famous three-point programme in relation to China to the effect that China was to have no relations with other countries save with Japanese consent and under Japanese control, that China, Manchukuo and Japan were to be organized in a single economic *bloc*, and that the two countries were to have a joint anti-Communist policy and undertake joint anti-Communist action.

Japan had now gone further than she had ever gone before. And there was nothing and no one to stop her. Her attitude towards Great Britain was almost one of contempt, as shown in the second of our quotations at the beginning of this chapter. On April 3, 1935, according to *The Times*, an unnamed spokesman of the Japanese Foreign Office, to a suggestion that Britain might mediate between Japan and China, remarked that "Great Britain seemed to

think that she ruled all the waves, including those of the China Sea." "Japan's Little White Brother was becoming more of a nuisance every day."¹

The fact of the matter was that Japan now considered herself strong enough, and Britain and the United States too weak or too distant for her to have any fears regarding her policy of aggression against China. Even the Japanese press was becoming "positively rude" to Japan's old ally.

"Britain has lost her weighty power in the world since the Manchurian incident . . . Britain will gradually be forced to readjust its overseas branch offices as it had lost its fighting spirit."—(*Nagoya Shinaichi*, August 1, 1935.)

"The control of events in the Far East is determined by Japan. Britain has now come to the realization of the fact that she must depend on Japan in the Far East. . . . We Japanese should be magnanimous enough to meet Britain in her new attitude with open arms."—(*Miyako*, August 9, 1935.) Both these statements are quoted in Freda Utley's *Japan's Feet of Clay*.

Japan's hostility towards Britain has grown in the last year or two. Her hostility towards the United States is, of course, notorious, and against Soviet Russia outspoken. But it had always been thought that Britain and Japan were allies; British statesmen, except for the two instances to which I have referred, have always been most cordial in their references to Japan. In July, 1937, Japan informed Britain that she would not tolerate foreign intervention in her dispute with China; and in the Japanese Diet in September leading members openly declared that the British note on the subject of the wounding of the

¹ *Far Eastern Front*, Edgar Snow.

British Ambassador to China by machine-gun bullets from a Japanese aeroplane was arrogant and insulting.

Let us now examine what change, if any, there is in the British attitude towards Japan. In 1931 the British Government was by no means hostile to the Japanese. At that time Britain was moderately alarmed at the rising influence of Communism in China, a movement, which, she feared, if it had come to flower, would have had repercussions all over the East. Moreover, Anglo-Russian relations were not on a happy basis, Japan had not yet made her devastating raids upon foreign trade competition, and the Washington Treaty still regulated naval strengths. In view of all these circumstances, Britain was not unwilling to take Japan at her word, and regard her as the protector of British interests in China along with her own.

Since that time, however, as has been indicated, a change has marked the attitude of Britain, a change due entirely to the aggressiveness of Japanese policy. Perhaps the Americans in 1931 were more realistic than the British, and foresaw the course of events. British and American trade interests have been almost completely destroyed in Manchuria. Their insurance companies have practically given up business; their importing agencies are doing a skeleton trade by comparison with the days of the "Open Door" in China. Manchukuo has become the exclusive preserve, the hallowed sanctuary of Japanese trade, a Japanese colony; in which, unlike British colonies, no foreign merchant may display his wares.

Nor has Japan stopped at questions of trade. Her foreign policy has become more determined, and she has publicly proclaimed it to be so.

No country, excepting perhaps the United States of America, has watched the reconstruction movement in China in recent years with more satisfaction than has Great Britain. And even more than the United States, Great Britain has been willing to help in that reconstruction financially and economically. Britain has always desired the existence of a stable government in China. It was good for trade. It was good for politics. It was reassuring to know that treaties would be implemented, that debts would be paid in a stable currency, and that, with the raising of the standard of living of the Chinese masses, an increased earning power and an increased spending power would mean not only increased trade for Britain directly, but indirectly through the increased commercial relations of other countries with China. And more than that: Chinese railway development, Chinese irrigation schemes, new Chinese hospitals and schools and tramway undertakings, new roads and buses and lorries, new administrative buildings, and shipping to carry the materials necessary for reconstruction, promised Britain, if not a major share, at any rate a fair share of the good things to come. When all is said and done, the British are still a nation of shopkeepers, and they look upon the rest of the world very much as a shopkeeper looks upon his customers and his supplying merchants—people who want good things to buy and have necessary things to sell.

This materialistic attitude of Britain (which is not to be condemned) if consistently followed would be a good thing for extending the peace of the world, at least for the immediate future. But it is when Britain departs from that materialistic attitude that she unfortunately gets herself into a mess which makes the best of her well-wishers despair. In the past one had

only to dangle a red rag, the bogey of the Russian or Communist menace, before the eyes of British statesmen, to turn them completely and hopelessly insane. During this period of insanity every action of British diplomacy became a tragedy of vacillation, torn between what appeared to be, but which in reality was not, the conflicting passions invoked by the "Red menace" and trade considerations. The case of Spain is the crying example of this state of temporary insanity. Perhaps in 1931 Manchuria offered another example.

I do not mean to imply that British foreign policy is entirely materialistic in outlook. Sometimes I wish it were. Many and splendid have been her attempts at keeping the peace of the world, and these, even though they were to safeguard her own far-flung interests, have merited the support of other peace-loving peoples. During the periods of insanity which I have mentioned she has lost the support of peace-loving nations, of the little peoples, and she has caused her admirers to look on with puzzlement and apprehension at the acrobatic gyrations of her ministers.

With regard to China, from about 1934 onwards, her traditional policy reasserted itself. She was genuinely desirous of assisting the national reconstruction movement in China, and she co-operated with China and assisted her monetary reforms and her railway development. Japan became increasingly suspicious, for a prosperous, strong China did not suit her at all. Britain has learnt, I think, what Japan has still to learn, that colonies and territories to which she has eventually to grant full self-government or see them dissatisfied and rebellious, are no better sources of raw materials and of exclusive markets than friendly and prosperous countries in which she is allowed to trade. The difference in the outlook of

the two countries towards China is that Japan intends, as she has done in Manchuria, to depress the Chinese population, make the Chinese a source of still cheaper labour, force them to buy Japanese goods exclusively, and to supply Japan with raw materials, at prices determined by Japan, through the control of labour and by other oppressive means—in other words to make China, as she has made Manchuria, and as she would make India and the Philippines, the slave-territory of Japanese commercial, industrial and financial interests.

But when Japan endeavours to interfere with British interests she is treading on dangerous ground. The re-armed Britain of 1937 is not the Britain of 1931. (What a good thing it would be if the United States of 1937, of Cordell Hull, were the United States of 1931, of Colonel Stimson!) British interests in south and central China are something different from British interests in Manchuria. Cold figures alone do not tell the tale completely. Against the total of British investments and trade, the figures for China appear almost insignificant: about five per cent of the total British investments overseas, about one per cent each way of total British trade. In 1936 China bought only about nine million pounds' worth of British goods, she bought fifty per cent more of Japanese goods; but Britain had over forty per cent of the shipping to and from China, British investments in China had totalled £250,000,000, Britain held over £45,000,000 worth of Chinese Government bonds, and British banks in China were doing a considerable business.

It was in the future, however, that Britain hoped once more to recover the first place in Chinese trade, instead of lagging behind as a very bad fourth. And this future synchronized with and saw its promise in

the reconstruction programme of the Chinese Government, probably the brightest and most reassuring aspect of all China's long and unhappy history. At the time of the outbreak of hostilities in North China negotiations were proceeding with British firms for the construction of railways in south and central China. We must remember, at this stage, what we have emphasized before: that abject poverty is the one outstanding fact of the condition of the Chinese people. The cause of this poverty has been due, largely, to the absence of distributing facilities in the interior, both for imported goods to reach the interior at reasonable cost, and for farmers' products to reach the larger towns and the coasts without labour-transport charges eating heavily into the prices due to the producer. A good distribution system both inwards and outwards would have been of immense benefit to the Chinese people. That system was about to be given to China by the co-operation of the Chinese Government and Chinese capital with European concerns, chiefly British, American and German. The new situation created by Japan has, ironically enough, damaged Germany and Italy as much as it has damaged Britain and the United States.

A number of important projects had, by June, 1937, been decided upon. A railway was to be built in Yunnan and Kweichow at an estimated cost of £7,000,000. A British firm had obtained the contract for the extension of the Canton waterworks at a cost of £81,000. A British firm had obtained the contract for Canton's new trolley-bus system, a contract worth £200,000. British firms were competing actively for the many contracts offered in connexion with the Ministry of Railways' five-year construction programme. By the end of 1936 Britain had secured

orders actually placed in London for railway construction amounting to £4,225,881, much of this money guaranteed by the British Boxer Indemnity Funds. British materials were to be used for a new 350-mile railway to Meihsien. A British firm in Shanghai had secured a £150,000 contract for rolling-stock. Three other great railway projects were being sponsored by British capital. New railways which had already been constructed were functioning with amazing success, and old railways were showing increased returns. It seemed that, at last, with the reformation of Chinese currency, with her financial affairs straightened out, China was on the threshold of a new and happier era. It seemed likely that in three years' time British, American and German trade with China would double in volume; and Japan did not like it.

In an interesting article in the *China Weekly Review* of July 31, 1937, Kate Mitchell stated: "Should Japan be given a free hand in North China, people contend, it is most unlikely that the Nanking Government could maintain the stable financial position so beneficial to British commercial interests. It is equally unlikely that British capital would be allowed to participate in the economic development of China except under Japanese supervision and control. Furthermore, there was no evidence to indicate that Japan would be satisfied with North China. Barring a profound alteration in the present Japanese economic structure, internal conditions would presumably continue to enforce ambitions to carry that expansion southward. Japanese economic penetration of Siam, the Philippines, Malaya and Netherlands India; the rapid growth of the Japanese merchant marine; the

expansive speeches of certain Japanese naval authorities, may all, it is felt, be regarded as potential or actual threats to the safety of Britain's imperial communications and to her ability to defend an almost regrettably 'far-flung' Empire."

It is this statement which brings us to a consideration of what I must term "basic Japanese policy in the East." We have heard a great deal of joint anti-Communist measures with China. We have seen that many people in both Britain and the United States believe that Japan will be the bulwark of capitalism in the East. If the Japanese are not fools—and it is obvious that they are not—they have no more idea of fighting Russia than they have of trying to conquer the moon. The former objective is as distant as the more celestial sphere is from this insane earth.

An examination into the soundness of this contention must be made from three aspects. First, the internal situation in Japan: that is, what does Japan really want? Secondly, where can she get what she wants? and thirdly, what resistance will she meet with in her endeavours to get what she wants?

I do not propose to go into elaborate figures and into different economic arguments in order to discuss the internal situation of Japan. Those who wish may refer to the facts I have endeavoured to set out in Appendix V of this book. Japan requires iron, coal and steel, besides other raw materials, such as wool and cotton. She finds that she cannot rely on the instability of prices in order to purchase these materials in the open market, because, working on a basis of cheapness, due to her supply of cheap labour, cheap raw materials are essential, and price fluctuations have caused and are causing crises in Japan. She therefore

is seeking the cheap raw materials in such directions as she can find them, not with the object of paying market prices for them, but of obtaining them by forced cheap labour in populous territories. She has done this in Manchuria. She also requires densely populated markets where she can sell the goods manufactured from these raw materials and exclude all foreign competition in those markets, as she is doing in Manchuria, and has been trying to do in China through her policy of smuggling in order to avoid tariff charges and thus increased prices of her goods. These measures are essential for Japan because of the lopsided nature of her economic structure, resulting in adverse trade balances over a period of years, successive budget deficits (which are also due to military and naval expenditure) and increasing poverty of the general mass of the population. So much is the case that Japan approached an economic crisis in 1936, and the National Government was practically taken over by the War Office and placed, industrially and financially, on an official semi-war basis.

Japan may obtain her objectives of sources of oil, steel, coal, cotton, rubber, wool, etcetera, and her populous markets, in those Pacific Ocean countries which are so liberally supplied with the things Japan needs: China, the Philippines, the Dutch East Indies, India, Borneo and the Malay States (all of which are densely populated), and open spaces for her population as well as wool, coal and iron, in Australia. The Pacific area is the greatest market in the world, and one of the greatest sources of the world's raw materials. It has the biggest labour force in the world, over a thousand million people, half the world's human beings. This is what General Smuts, among a number

of other statesmen who echoed similar sentiments, meant when he said, "The problems of the Pacific are the world problems of the next fifty years or more."

Now turn to Siberia. What can Japan get from Russia in comparison with what she could obtain elsewhere? An infinitesimal amount. Put that in the balance with the amount of resistance that would be offered for the two prizes, for Siberia and for the Pacific Ocean territories. This is our third point. We have already noted, earlier in this chapter, what the Japanese think of the strength of the British Empire. They think that Britain is too far away from the areas of conflict, her fleet too scattered to offer much resistance to Japan's fleet. Japan thinks the same of the United States. On the other hand Russia would be a most formidable enemy, even though Japan had allies in Germany, Britain and the United States in a war against Russia. For Japan would have to bear the brunt of the fighting in the East, along the Amur River, and she would be harassed by China. The Russian defences in Siberia are definitely too strong for Japan alone; probably too strong for a combined attack by half the world, with the other half fighting Russia on the western front. And as long as Russia pursues her policy of peace and collective security, public opinion throughout the world will not tolerate a concerted attack of this nature, for the working people, even in Germany, would refuse to fight. Moreover, Japan knows well enough that her airmen are very definitely of inferior quality, that Russia has an air fleet in the East, without calling upon her western reserves, infinitely stronger than Japan's, and that whereas Japanese planes would have to fly thousands of miles into Russia to

do any damage, Russian planes could do immense damage by flying a few hundred miles from their eastern bases to Japan, where most of the houses are built out of wood. Indeed, Russian experts believe that Russian planes, which are admittedly equal to the best in the world, could paralyse Japan in a week, by causing such havoc in Japan that she would be unable to carry on a war, and would in so short a time become, instead of an asset, a liability to her allies. No other country but Russia could inflict so rapid a defeat upon Japan.

I believe that this summary of the fighting position in the Far East coincides with the views of the military staffs of at least two leading European Powers, and of the United States.

In view of the fact of Japanese vulnerability to Russia, the pact between Germany and Japan is of no assistance to Germany. But it has been used skilfully by Japan to further her aims in the East. That this pact must eventually recoil against Germany there seems no doubt, apart from the definite conflict between German and Japanese interests in the East and the general German political philosophy in relation to that of Japan. We have already seen that Japan considers herself the divine protector of Eastern morality against the inferior morality of the West. Not only that; she must go further; she must force her morality upon the whole world. "Our imperial spirit," said General Araki, Minister of War, on March 22, 1933 (reported in *Japan Chronicle*), "which is the embodiment of the union between the true soul of the Japanese State and the great ideal of the Japanese people, is by its nature a thing which must be propagated over the seven seas and extended over the five continents. All obstacles interfering

with this must be destroyed with strong determination, not stopping at the application of real force." This doctrine, firmly believed in by the Japanese military, conflicts with Herr Hitler's statement in his January, 1936, Munich speech: "The white race is destined to rule. It has the unconscious urge to rule. . . . When the white race abandons the foundations of its rule over the world it will lose that rule. It is a rule which is the basis of the European economic structure."

I do not believe for one moment that Herr Hitler intends to abandon this principle; yet some of his underlings have made a pact with Japan which she is using to attack the very structure which Herr Hitler declares has to be protected. It has already had the effect of losing for Germany the many valuable contracts which were being granted to her by the Chinese at the moment when hostilities broke out, and that pact will not avail Germany to obtain concessions from Japan if she is victorious, any more than friendship preserved for Britain, Japan's traditional ally, the interests which she had in Manchuria.

It may now be asked, What is the solution? In Appendix V I deal with the question of sanctions against Japan and their prospect of success. But there are political matters that require attention also. In the first place, the German-Japanese anti-comintern pact, quite useless, indeed harmful, to Germany, ought to be scrapped. Japan would immediately find herself isolated, without a friend in the world. If this pact is not dropped, the peace of the world quite openly depends upon the acceleration of that movement which is bringing closer together the great democratic nations of the British Commonwealth,

the United States, France, and that country which Japan fears most, the Soviet Union.

[REFERENCES: quoted in the text, and Morse and MacNair, *Far Eastern International Relations*; R. P. Dutt, *World Politics, 1918-1936*; *Economic Handbook of the Pacific Area* (V. F. Field); H. C. Bywater, *Sea Power in the Pacific*.]

CHAPTER XIV

AND NOW WE LOOK AT JAPAN

JAPAN is supposed to be one of the great civilized countries of the world. She herself has always claimed a higher morality than the nations of the West, to whom she often refers as barbarians, and the Chinese have always been looked upon by them with contempt. In military and naval matters she claims equality with the greatest of the world Powers, so much so that when her statesmen agreed to an inferior naval tonnage to Britain and the United States in the London Treaty of 1930, indignant patriots assassinated the Prime Minister. And in world trade she occupies a leading place, her mercantile marine covering the seven seas, laden with goods which find their way over and below tariff walls into the markets of every country.

If this is the case, why, it may be asked, is Japan guilty of such uncivilized conduct towards the Chinese? Why has her diplomacy for so many years been characterized by double dealing not only towards the Chinese but towards the nations of the world? How can she embark upon a deliberate policy of bombing, as her spokesmen put it, the whole of China, unfortified cities and villages in the interior, where no soldiers are quartered, "as a defence-measure in a wider meaning"? We know that war is "frightful,"

but never before has a deliberate policy of exterminating non-combatant villages and cities been so blatantly undertaken. We can, perhaps, understand the bombing of a capital city, in order to destroy government buildings, though it is dreadful enough to think of the wanton destruction of such architectural masterpieces as Westminster or St. Paul's. We can even understand the destruction of Chapei, only because there were Chinese troops there who had come up to prevent an advance from Hongkew by Japanese troops, but we cannot forgive the destruction of Chapei on that account, because the Japanese deliberately chose to take Chapei by advancing on it from the neutral territory of Hongkew. These things, I say, we might understand.

But we cannot understand a civilized nation, a nation that claims equality with the great civilized nations of the world, sending thousands of ruffians into a country in order to provoke incidents, and, under cover of non-combatancy, of friendliness with a country, engage in undeclared hostilities, looting, bayoneting women, machine-gunning innocent people who run out of burning buildings, flying warplanes low over passenger trains and refugee trains and machine-gunning or bombing the passengers, machine-gunning neutral non-combatants in motor-cars; interfering with the whole internal system of a nation's government; organizing an extensive system of smuggling; engaging in an organized, semi-official drug traffic, part of the object of which is deliberately to weaken the physical and moral well-being of a people to whom she publicly declares she has the best of good feelings and to whom she has made an appeal to welcome her as a friend and as a protector.¹

¹ See Appendix III.

If all these things of which I have written are true surely there is something wrong somewhere, surely there must be an explanation.

The explanation must be sought in Japan itself, in her history and in her present military administration.

If we go to Japan itself and study the economic, social and political life of the country, we see an extraordinary state of affairs. In the first place, it is as likely as not that the intelligence service has picked you out by the time you have arrived there as a person who should be watched; ninety per cent of foreign visitors are always trailed by spies. If you happen to have a camera with you, you are subject to more careful scrutiny. If, through idle curiosity, you have taken a photograph of young children working like slaves loading coal at one of the ports, you are taken to a police station and questioned for several hours. And the manner of questioning will strike you as something you have not been accustomed to before. It will be rough, possibly sadistic in tendency. If you inquire from those who have studied the Japanese, you will be told that the police are recruited in large measure from the descendants of the ancestors of those same *ronin* whose delightful acquaintance we had the pleasure of making in Shanghai, Peiping and Tientsin. If you happen to be leaving the Japanese Empire by way of Manchuria, say, via Manchuli, your belongings will be scrutinized with more severity than when you entered, and if you have any Japanese curio or picture or other article which might in any way reflect on the social conditions of the country, these will be confiscated.

If you go behind the scenes at all, you will, if you are lucky, discover that this civilized Empire is a

strange mixture of twentieth-century progress and fourteenth-century feudalism. You will find that they can manufacture armaments, but they also employ convicts in their armament factories. You will find that they have the most up-to-date cotton mills but they employ in those mills girls who have been bought as chattels. And if you can forgive the existence of officially licensed brothels, it does not matter how hard-boiled and worldly you are, you will not be able to forgive the fact that the girls in the brothels have been sold into actual life-long slavery by contracts recognized by the State.

These are facts which have already been recorded in Japanese newspapers, in the books of well-known writers, both Japanese and foreign, in reputable periodical journals, and in the official reports of certain Japanese associations. The latest and most exhaustive study of Japan is a book I have quoted before. No one can understand the country properly without reading Miss Utley's *Japan's Feet of Clay*, and I take the liberty once more to quote from that really remarkable work, remarkable because it is so painstaking and thorough, and backed by so many official facts and statistics. "The much-vaunted family system," says Miss Utley, "with its subjection of women as naturally inferior beings, and the powers it gives to the head of the family, has enabled the textile manufacturers to obtain a plentiful supply of the cheapest and most helpless factory labour. . . . Large numbers of the peasantry cannot exist without contracting their daughters to factories or silk filatures or selling them to the brothels. The Japanese manufacturers are accordingly assured of a large supply of docile labour by the widespread and longstanding custom of the sale of daughters by their fathers. . . .

In the feudal period daughters could only be sold to the houses of prostitution, or as geishas, and the superfluous daughters were to a large extent got rid of by infanticide." (This feudal period of which Miss Utley speaks is not centuries ago, but in the few years preceding 1850.) She goes on to say, "With the development of silk filatures and cotton mills daughters became a profitable investment for their parents. . . . The houses of prostitution buy the girls outright for a sum down. . . . In the case of big factories two or three years are contracted for, but only a small sum is paid in advance. . . . Girls and their parents naturally prefer industrial employment to the brothels, since the former is temporary, whereas the latter means slavery for life because the debt can never be paid off. . . . Neither as regards the brothels or the factories does the girl herself play any part in the transaction except as a commodity." Miss Utley gives the form of contract signed by the father for the sale of his daughter to a licensed brothel, and quotes a Japanese author in *Asia* (February, 1936, issue) who states that it would take a girl well over a hundred years to purchase her liberty.

In the four northern districts of Japan, which have a population of about $4\frac{1}{2}$ million, more than fifty thousand girls had been sold in the first ten months of 1934, according to an investigation by the Japanese Imperial Agricultural Society. More than forty thousand of these girls were sold on account of economic necessity, four thousand of them because of tradition.

These facts reflect not only an extraordinary moral sense but also terrible economic conditions. I must dismiss the latter with the statement that so poor are some of the Japanese in the rural districts that they

have not enough food to eat, and in the urban areas there is sometimes not enough room in a house for the members of the family to go to sleep on the floor space available.

Regarding political matters, though there is adult suffrage, it is suffrage for a parliament the members of which cannot control a ministry, cannot introduce laws, have no control over financial, military or naval matters—in short, a constitution shorn of every democratic characteristic. In these days of mock constitutions, it is best not to go into this aspect of Japanese politics too deeply, nor to enlarge upon the fact that the greatest constitutional lawyer in Japan was dismissed from a post he held for thirty years as a professor of the Imperial University of Tokyo because he said that the Emperor held power “in trust” for the nation, instead of saying the Emperor “possessed” power inherently by virtue of his divine qualities.

The constitution of Japan requires the Ministers of the Army and Navy to be appointed from the active list of generals and admirals; without fulfilling this provision there can be no government. The fighting forces, therefore, if they do not like the composition or the policy of a cabinet, may withhold appointments to that cabinet, and the government of the country, most of which is administered by the cabinet through Imperial decrees requiring no parliamentary sanction, will thus come to a standstill. In Japan, therefore, not only is there no democratic government in the sense of control and initiative by the people, but the government of the country is controlled by the Army and Navy. The Ministers of the Army and the Navy have direct access to the Emperor, in Japan a very vital privilege, and the

influence of the Army may be found in the police, in the courts, and especially in the treasury; in the first service, because the police are of the same social strata as the Army, co-descendants of the same ancestors; in the courts because the police control the system of justice (a man may be held for two years without a trial in some cases); and in the treasury because Japan spends 70 per cent. of her normal revenue on the fighting forces—there are no health services or publicly-maintained hospitals in Japan, there is no unemployment insurance, there are none of the public services which characterize modern government in western countries. The state of the general health of the country is deplorably low.

On top of all this, the Japanese fighting forces are very poorly paid, junior officers getting £12 a year, senior officers £58-£100 a year, and the top command £385 a year. The Japanese officers have no private incomes as have a great number of the officers in the fighting forces of western countries. This explains the tension between the fighting forces and the police and even the military-controlled civil service (just as poorly paid) on the one hand, and the civilian population on the other. There is a constant tension between the two sections of the people, a continuous striving for the upper hand, a struggle, which, since 1930, has ended in a decisive victory for the fighting forces.

And this tension explains the attitude of severity of the military against every symptom of democracy internally; it explains what has become like an inborn hostile second nature in the military man, a hostility, almost a tendency towards sadism, which we see in the actions of the Japanese forces in China and in her attitude to the rest of the world. People cannot keep

on snarling for years, snarling and struggling and threatening and kidnapping and assassinating and murdering inside Japan, without that attitude becoming a subconscious state, finding expression in times of excitement against all with whom it comes into contact.

How is it that such a state of affairs has come about in Japan? I mean, why is there this concentrated struggle between the military and the civil power? We know that such a struggle exists in greater or less degree in most countries, but why so much more bitterly in Japan?

Japan came into contact with the west in 1851. She was then a politically and economically primitive feudal country. The great feudal lords, the Daimyo, controlled the country. They had as retainers people called Samurai, who lived round their lords' castles and received rice stipends from them. With the rise of a merchant and—in Japan a peculiarly characteristic—usurer class, the feudal aristocracy got weaker—this process had been going on for about sixty years—and with the rapid imitative development of Japanese industrialism, based almost entirely on the copying of patents of western inventors (the rights of whom were supposed to be protected by treaties) there was a kind of social revolution in Japan which resulted in great numbers of Samurai or Daimyo retainers being dismissed. These dismissed Samurai are the ancestors of the *ronin*, the majority of the regular Army and Navy personnel. "By the middle of the 19th century," Miss Utley writes, "there were so many of these *ronin*, and the poverty of the majority of the Samurai was so great . . . that the time was ripe . . . for a revolution . . . to re-establish the power of the feudal military aristocracy to which they belonged."

Many of the Samurai managed to obtain pensions from the State in place of their former rice stipends; later these pensions were capitalized into bonds. In time they became industrialists, bankers and merchants; but they always had their poor relations, the *ronin*, hanging on to their kimonos. Many of these *ronin* (this was before the time when the word got its secondary and baser meaning—originally the word denoted people “without a lord”), together with other descendants of the Samurai, found their way into the fighting services, the civil administration and the police, but a great number found that it was more profitable to remain hangers-on to their richer co-descendants of the feudal era, to be employed as strike-breakers, spies, foreign agents, and in all that kind of free-lance work in which their undoubted qualities of vigour and fearlessness would show themselves to advantage.

The above is a very cursory and incomplete picture of the historical reasons for the control of Japan by the military and naval authorities. It would be dangerous to infer from this summary of a section of Japanese history any more than the barest minimum already set out.

[REFERENCES: Freda Utley, *Japan's Feet of Clay*, statistical and historical publications, etc.]

PART VI

AN EVENING WITH A SPY

CHAPTER XV

MR. OBAKA'S AUTOBIOGRAPHY

How often do the most incredible things happen in the lives of the most peaceful people, of those men whose family ties, whose work and whose general circumstances keep them from cutting the painter and going out into those parts of the world where the incredible happens every day, if one but looks for it.

Shanghai is a most delightful city not only for its varied life above the surface but also for the life one can see beneath it. Not all those who come to Shanghai on a short visit like the place, but when you have been there some time, it grows on you. You take the cabarets and the night life as a matter of course and do not pay much attention to that very over-rated aspect of its entertainment. If you have leisure enough, and are bent upon collecting certain kinds of information, and are prepared to go to the most out-of-the-way haunts, life becomes full of interest. I was nearly killed on a number of occasions, but the adventures were worth the experiences.

I went once to a Japanese dancing hall, to see what it was like and to study the Japanese Naval Party men who, I was told, patronized it. I went early, about half-past nine, and there were not many people there, though a full complement of dancing hostesses lined the floor.

I will be as frank as my readers, such as I have, would expect me to be: all good men drink an occasional whisky, and I am a good man. I had ordered a glass of whisky at this cabaret, but when I tasted it I was convinced that there was about as much "Scotch" in it as there is "Scotch" in ice-cream. I was waiting for my waiter to return, when I caught sight of the face of a man who seemed to be laughing at me. He was the thinnest man I ever saw.

I was not sure at first whether he was Chinese or Japanese, but I came to the conclusion that he was Japanese—just a little difference in attitude, in the laugh, which it is difficult to explain, though, of course, the Japanese are generally sufficiently different from the Chinese to enable one who knows both races to differentiate them easily. It must have been the close resemblance to the Chinese in the face of the man I saw which accounted for his interesting and adventurous career.

I was, for a moment, embarrassed by this man's amusement at my expense, probably at the expression on my face when I first tasted that whisky. But if I took these things seriously my life would probably be unbearable. I therefore laughed off the matter, withdrew into myself, and waited for the waiter. When he arrived I said to him in my best Chinese:

"You no haf whisky?"

"Yes, master, this am whisky," he replied, pointing to my glass.

"You no can say this whisky; this poison."

"Poison?" the waiter said, puzzled. "No, master, this whisky number one."

"Poison," I repeated. I am forced to say that I

was amused and not angry, my protest having arisen more by way of making conversation than because I was fussy. I like talking to Chinese waiters.

This conversation had reached the stage when the waiter was about to repeat my second repetition of the word "poison," when the thin man who had laughed at me came up to my table and said something in Chinese to the waiter, who promptly disappeared.

"Pardon me," he said, in excellent English. "I asked him to bring the bottle here for examination. I have the same complaint about the whisky as you seem to have."

He had a delightful manner, this Japanese, and I took to him at once. When the bottle came we both looked at it. It had a Scotch label—they always do—it smelled all right; and we both shrugged our shoulders as if to say, "What can we do?"

My companion said something to the waiter, who stretched out to take the bottle away, but I stopped him.

"I do not believe," I said, "in forced or unnecessary labour. What is the sense in taking this bottle away and bringing its contents back in small glasses? I suggest it stay here, and be reinforced by adequate quantities of soda."

My Japanese friend laughed. He laughed so heartily that I at first thought I had said something that must have been extremely witty. But I was before long assailed by doubts as to the sobriety of my friend, doubts which, to be fair to him, came and went.

We spent a pleasant hour. I fear I myself must have been very confiding, for soon my friend was telling me a good deal about himself, and about

Japan. Eventually he invited me to his flat, and I went with him.

He had a nice place nearby. We had taken another bottle of whisky with us, for he kept no liquor there, and soon we were travelling round the world in our reminiscences, so international was the Scotch that we drank.

It was two when I reached home. I had been there nearly three hours. I may be pardoned when I say that I wrote this chapter, exactly as it stands, excepting for alterations of form, between two and five that morning.

He told me his name was Obaka. I know this to be untrue from the inscriptions in some of his books and from two cards which he gave me, one from his wallet and one from his writing-desk, when he asked me, twice, to write to him when I reached home.

"If I am still alive," he said the first time he handed me his card.

"What do you mean, 'If you are still alive'?" I said, mixing my pronouns.

He seemed nervous. He had been looking at his watch quite frequently.

"You remember that seaman, Miyazaki, who disappeared about a week ago?" he asked me.

I nodded my head, I was as discreet as I could be. "What about him?" I asked.

"You know he has been found?" he said.

"Yes," I replied.

"Well," he remarked, very casually, after a considerable pause, "I made a mess of that affair." He bit his lip and was silent.

I said nothing, leaned over towards the by-now half-empty bottle of whisky and the jug of iced water

and filled our glasses. He took up his glass, almost defiantly I thought, and gulped half of it down.

"I'm thirty-five, about fifteen years too much of life," he said dramatically. "I should have been dead long ago—plenty of chances." He paused for a few seconds, finished the whisky in his glass, and went on.

"I was a soldier. Joined to fight against the Russians in Siberia at the end of the Great War. When I came back my sister was gone—my father wouldn't tell me what had happened to her, though I guessed. My mother kept crying, saying she would come back one day. I knew she wouldn't. I stayed in the Army, and was transferred to Formosa, then to Tientsin, Shanghai and back to Japan. I had learnt Chinese and English in Shanghai and Tientsin. I told the War Office this, and said that I wanted to be transferred to the administrative side of the Army. I was tired of knocking about in barracks, and in foreign ports. They set me to work in the headquarters of the Special Secret Service, translating reports which kept on coming in from all parts of China, from Singapore, the Philippines and from Java—mostly in Chinese, some in English. One day there was an English word which baffled the other interpreters. They said it was wrongly spelt, I said it wasn't. I was right. I forget the word now. The Secret Service chief sent for me."

Mr. Obaka picked up the bottle of whisky—it was almost empty now—and again our glasses were filled. "It may be a long time before I have another drink," he said. Then he looked at his watch. "My God! It's long after twelve, I'm late."

He half rose, then sat down again.

"To hell with them," he muttered, "let them wait."

I tried to persuade him to go (I did not know where), but he declared that he would not. He seemed very nervous, and fidgeted about a good deal.

"Well," he said at last, with a smile, "the Chief sent for me. 'Do you want a trip round the world?' he asked. I jumped at it. In a few days I was off to India, attached to the consulates at various places. I had no fixed work to do. I went among the people, but I was handicapped by language questions among the Indian population. But I found a number of Indians who could speak English. I joined labour or socialist societies here and there, and I sent reports to Japan on the state of disaffection among the Indians. I was in India about a year and established a complete intelligence system around each consulate. I got Indians into this work; they were well paid. From India I went to Turkey, but there I stayed only about a month. Then I went to South Africa. Here I was rather unfortunate. I was taking pictures of defence works around Cape Town, when I was seen. There was a bit of publicity, and I cleared. My Chief was annoyed about this.

"From there I went to the United States. I stayed there three years. I was supposed to be a student, rather old for one, but still, it was all right. I travelled about a great deal. Headquarters kept on complaining about the money I was spending, but I replied that it was necessary. Anyhow," he said with a smile, "it was necessary for me. I had a wonderful time, and I must have been doing some good, because they kept sending me money. My word, the whisky is just about finished. One more drink each."

He swallowed the whisky. Obaka was quite

unsteady now and his speech thick. "I joined travel societies, geographical societies, any number of societies. I sent my Chief more pictures of American warships and of Pacific coast points than he ever received in his life. I even got pretty American girls to take some of these pictures for me. Oh, boy, are they dumb! Bumb . . . how d'you say it?" I was afraid the story was coming to an end, for Obaka began to laugh, quite uproariously. But he went on.

"I came back to Japan. My Chief was pleased with me. He sent me to Manchuria, Mukden. Here I learnt something new; how to set time fuses to bombs and dynamite; how to organize the *ronin*; how to send false messages—that's interesting. You make up a message which says that something will happen somewhere at some time but something which should have. . . ." Here Obaka stopped. Whether he had got mixed up or his mind had wandered to something else, I could not say. It seemed the latter, for he again looked at his watch.

"I've been in Shanghai two years; it's my headquarters now. I've got a shop. Here's my card. Write to me when you reach home. I like you, you're a nice chap. I've been to Jehol, Suiyan, in Peiping, everywhere." He lowered his voice. "I was the one who fixed the disappearance of Sadao Miyazaki. There was a boat waiting to take him to Japan. He was supposed to pick a quarrel with two or three Chinese, take a taxi to the boat, and get out of the country. I told him what to say if he got caught, if something went wrong and he missed that boat or was seen. But the fool got drunk, spent all his money at a brothel, made a mess of the quarrel—landed us all in a mess. He must have been frightened. When I saw him take a ricksha I thought it was all right and I

reported it to three Japanese seamen and gave them the cap and neckpiece I arranged he should drop. But everything went wrong. The damn fool was drunk, and when he got to the Bund, he must have forgotten his instructions. Then Naval Headquarters admitted to the *Shanghai Times* and other newspapers that our seamen were supposed to go about in threes; that also put us in a mess. People asked who the other two seamen were. I saw to it that Miyazaki would be alone. There was an investigation. I was accused of negligence, but I accused Naval Headquarters of negligence. That shut them up. I was told to find Miyazaki and blot him out. We would have blamed the Chinese for that, but the fool went and made a statement to the Chinese authorities in Nanking. What can you do with fools? But we were lucky all the same. He might have given the game away altogether. That's what Headquarters are always afraid of. We've got to work with fools—in case they get killed. We don't like killing good men."

Again he laughed. Then he stopped and looked at his watch. "I must be going," he said. "There's a meeting to-night. We're preparing something else. I told them I wouldn't take part in it. I was annoyed about being accused in the last affair. This time somebody's got to get killed, and I'm not the fool."

He laughed at this statement, but it was a half-hearted laugh, a laugh that stopped in the middle. "May be I am!" he added, and he looked suddenly as though an astonishing thought had struck him. "May be I am!" he repeated. "May be I'm going to get killed."

I rose to go. "Good-bye," I said. I did not like the look on his face.

"Good-bye," he replied. Then, as I went towards

the door, I saw him rise and pace the room up and down. "May be I'm going to get killed," he was mumbling.

When I reached the bottom of the stairs, I saw two Japanese bluejackets come into the building. They looked at me intently, and passed on. Less than a minute later I heard two shots, and I hurried away.

Next morning I went to the address on the card which Obaka had given me. The door was half-closed, but I entered.

I asked the assistant in charge where Mr. — was.

"He's dead," came the laconic reply. "This shop is closed."

"But how did he die?" I asked. I was about to say I had spent last evening with him.

"Oh, he was shot. Chinese, I suppose. There'll be trouble in Shanghai yet."

I left.

A little over a week later two Japanese seamen were shot at the Hungjao aerodrome, and the "Second Shanghai War" started.

APPENDICES

APPENDIX I

JAPANESE PRESS COMMENT ON THE CASE OF MIYAZAKI

(Supplementary to Chapter I)

THE people of Japan were kept in ignorance of the true state of affairs relating to the discovery of the seaman who was reported missing. I quote the following extracts from the *Japan Weekly Chronicle* of August 5, for two reasons—to show how the Japanese civilian population is rationed regarding news, and how unpleasant facts are glossed over by the censors. No blame can be attached to the *Japan Chronicle*.

On July 25, the day after the incident, the following appeared:

“Much anxiety is being felt over the fate of seaman Sadao Miyazaki of the Japanese Naval Landing Forces who has been missing since last night.

“Miyazaki left the barracks about three o'clock yesterday afternoon on leave, but had failed to present himself at the Landing Party Headquarters up to this morning.

“A sensation was caused as reports were received by the Japanese authorities to the effect that a Japanese seaman had been kidnapped by unidentified Chinese near the junction of North Szechuan and Dixwell Roads.

“A search was started by the Japanese and Chinese authorities concerned, while strict policing measures were instituted by the authorities of the Japanese Naval Landing Forces in the district.

“Unconfirmed reports said that the Japanese seaman and two comrades were suddenly attacked by Chinese hooligans about 9.20 o'clock last night. The Chinese mob overwhelmed the Japanese seamen

and finally Miyazaki was put into a motor-truck and abducted.

"The report was first communicated to the headquarters of the Japanese Naval Landing Party by a Mr. Yoshio Okasaki, who stated that he picked up a bluejacket's cap and a white necktie at the junction of North Szechuen and Dixwell Roads about ten o'clock last night. The name 'Miyazaki' was inside the cap.

"The Japanese Consul-General called on the acting Mayor of Greater Shanghai, Mr. O. K. Yui, at eleven o'clock this morning and asked for co-operation in the search.

"Early in the morning a joint conference of the Japanese military and diplomatic authorities was held to discuss measures to establish the circumstances surrounding the disappearance.

"The emergency police measures were withdrawn at seven o'clock this morning, but the Japanese consular police and the Chinese police are still closely co-operating."

This report, which is naturally cautious because of the discovery that the informer had given a fictitious name, a fact not mentioned, says nothing of the Japanese armed incursion into Hongkew and Chapei. What transpired at the Japanese Consul's interview with Mayor Yui has already been stated. Thereafter the public of Japan was kept in virtual ignorance, and though Miyazaki made a statement on July 28, it was not until August 5 that the following appeared in the *Japan Chronicle*:

"Sadao Miyazaki, the missing seaman, was returned by the Chinese authorities some time after his disappearance and the affair rather mysteriously came to a close without any announcement of the circumstances surrounding the abduction."

This is an amazing statement. It was only after a new incident came to light, namely the shooting of Sub-Lieutenant Ohyama on August 9, when the atmosphere was charged with the expectation of immediate hostilities

in Shanghai, that more news was given of the Sadao case. On August 11, the following was published in the *Japan Chronicle*:

"The movements of Miyazaki from the time of his 'disappearance' to his return on July 29 were traced in an official announcement made Saturday night.

"Leaving his companions at about 6 o'clock, in the afternoon, July 24, after attending the Towa Gekijo, motion picture house on Chapoo Road, Miyazaki walked along Woosung Road to an unlicensed brothel in Range Road, the announcement said.

" 'Emerging from the hotel,' it went on, 'Miyazaki saw some comrades on the street and assuming that he had been seen by them went into a nearby alley.

" 'Here he met three Chinese with whom he quarrelled over money matters. In the scuffle, he lost his cap and his neckpiece.

" 'Realizing the dishonour of returning to the barracks in such a condition, Miyazaki decided to leave Shanghai and to commit suicide at a place away from his comrades. He returned to the Towa theatre where he changed into sports clothes.

" 'On that night and on the following day, he wandered about the city and spent the night of July 25 near the Cenotaph on the Bund, always seeking an opportunity to get away from Shanghai.'

"Miyazaki, the announcement continued, boarded a British ship at about 8 o'clock in the morning on July 26 and waited till about 11 o'clock at night when he jumped overboard.

" 'A good swimmer, he instinctively fought against the current and finally reached the Chinkiang shore. At about 10 o'clock the following morning, he again jumped into the Yangtze, but was rescued by boatmen and handed over to the police,' the announcement went on.

"The following day Miyazaki was handed over to the Japanese Consulate-General in Nanking by the Ministry of Foreign Affairs.

" 'The sailor,' the announcement said, 'was deeply repentant' and stated that he had been kindly treated by the Chinese police, the Kiangsu Provincial Government and the Waichiaopu.

" 'There are details concerning Miyazaki's movements, however, that are so conflicting as to be puzzling to a normal person. He is believed to be suffering from amnesia caused by mental anguish,' the statement asserted.

"Kakushi Yanagida, another member of the Landing Party, who was accosted by an informer who gave his name as Okasaki on the night of July 24, was stated by the Naval Landing Party to have declared that the absconding sailor and the informer looked very much alike. Further investigations are still being made, the statement said."

APPENDIX II

JAPANESE PRESS COMMENT ON THE HUNGJAO AERODROME INCIDENT

(Supplementary to Chapter II)

It had been stated in Shanghai that the investigation into the Hungjao incident was never brought to a final conclusion, and also that officials of the International Settlement Council took a part in the investigations, the statements made by at least one of the Council's experts being quoted at length in the Shanghai press. I give the reports in the *Osaka Mainichi* and the *Tokyo Nichi Nichi* of August 11, the leading newspapers of Japan, with a circulation of over 3,000,000, verbatim, together with the headings (English edition):

LANDING CORPS OFFICER, SEAMAN ARE MURDERED

OUTRAGE IS COMMITTED ON MONUMENT ROAD, SHANGHAI

INVESTIGATION LAUNCHED

From our Staff Correspondent

SHANGHAI, Aug. 9.—The Japanese naval landing corps headquarters made the following announcement to-day at 10.20 p.m.:

"Second Lieutenant Isao Ohyama, commander of the 1st company of the naval landing corps, while passing in a motor-car driven by 1st Class Seaman Yozo Saito over Monument Road in the International Settlement Extension to-day about 5 p.m., was surrounded by

Chinese public safety corps, fired on with rifles and machine guns, and was killed instantly.

"The landing corps authorities, upon examining the spot, found that the head and abdomen of Lieut. Ohyama had been mutilated almost beyond recognition by bullets, the wind-shield of the motor-car had been shattered to pieces, and the body of the car bore scores of bullet marks, vividly demonstrating the cruelty of the Chinese mob.

"Despite the fact that Monument Road is in the extension of the International Settlement, and is open to the free passage of all foreign residents, the Chinese have of late openly erected sandbag barricades, planted mines, installed abatises, wilfully blocked traffic at night, subjected passers-by in the day to bodily examination, threatening them with pistols. These acts not only constitute violation of the truce pact but are an insult to foreign residents of the International Settlement.

"1st Class Seaman Saito was apparently abducted by the mob. There were bloodstains on the tonneau. The Japanese naval landing corps, besides calling the Chinese to account for the outrage, intends to get to the bottom of the case."

The reference to the abduction of Seaman Saito is something new, and did not appear in the official version published in Shanghai, otherwise the Shanghai and Tokyo versions, though not identical, are similar. How and why did this important variation creep in?

SEAMAN SAITO ALSO KILLED, BODY FOUND

From our Staff Correspondent

SHANGHAI, Aug. 10.—1st Class Seaman Saito, who has been missing, was found dead, riddled by bullets, about 20 yards from his motor-car.

This report seems to indicate that Saito was found the next day. This is incorrect. Both bodies were found at the same time.

JOINT INQUIRY HELD AT SCENE OF MURDER

From our Staff Correspondent

SHANGHAI, Aug. 10.—The authorities of the Japanese naval landing corps, the Japanese consulate-general, and Municipal Council, calling in the authorities of the Shanghai-Woosung fortified zone, the Chinese municipality, and the commander of the Chinese public safety corps at the consulate-general, conducted a joint investigation of the Monument Road outrage at the scene of the murder to-day at 9 a.m.

HUNGJAO AIRFIELD REGULARS FOUND
GUILTY

CHINESE JOINT INVESTIGATORS ATTEMPT TO DESTROY
EVIDENCE; JAPANESE TO MAKE THOROUGHGOING INQUIRY

From our Staff Correspondent

SHANGHAI, Aug. 10.—Conducting a joint probe on the spot to-day concerning the Monument Road outrage of last evening, Japanese and Chinese investigators found that the flight regulars of the Hungjao airfield shot and killed 2nd Lieut. Isao Ohyama and 1st Class Seaman Yozo Saito.

These Chinese flight officers and men were found to belong to the aviation commission of the Nanking government.

Notwithstanding the fact that they have acknowledged this to be true, the Chinese investigators showed eagerness to conceal evidence. Claiming that Chief Li of the Hungjao airfield had gone to Nanking and making other excuses, representatives of those connected with the outrage and those responsible for it refused to participate in conducting investigation to-day.

Representatives of the Municipal Council and of the Chinese military headquarters of Shanghai refused to aid in the investigation, saying that they have nothing to do with the affairs of the airfield nor the right to give orders to its men.

CHINESE INVESTIGATORS IRRESPONSIBLE, UNREASONABLE

The Chinese investigators made irresponsible utterances and took an attitude that was quite unreasonable, so much so that Staff Officer Yamauchi, one of the Japanese investigators, proposed the discontinuation of joint investigation more than once.

The Chinese investigators insisted that Chinese regulars of the Hungjao airfield shot 2nd Lieut. Ohyama to death on the ground that he approached the Chinese airfield, yet they hurriedly concealed cartridge cases which were found here and there on the road where spot investigation was conducted, in an effort to hide evidences of the Chinese armed violence.

Despite the fact that Chinese authorities insisted that the Japanese naval officer and seaman first shot at the Chinese regulars, the investigation on the spot revealed that the Japanese naval men did not shoot.

A Chinese soldier, whom the Chinese authorities contend to have been killed by the Japanese naval men, was also found to have been shot dead by the bullets of Chinese soldiers who fired from behind him, aiming at the Japanese naval men.

Indignant at the attitude of the Chinese joint investigators, the Japanese authorities have decided to conduct a thoroughgoing investigation, starting with the examination of Chief Li of the Hungjao airfield, its watchmen, the regulars who murdered Japanese naval men and Chinese soldiers who were on the spot at the time the outrage occurred.

1ST REPORT REFUSED

Domai

SHANGHAI, Aug. 10.—When the Japanese side recovered the bodies of Lieut. Ohyama and 1st Class Seaman Saito, who were shot dead by Chinese, the Chinese side refused to recognize the post mortem report prepared by Surgeon Lieut.-Commander Arima.

Accordingly the Japanese side requested the Municipal Council to send a physician this morning at 10 o'clock and formally conducted the post mortem jointly at the hospital of the naval landing party.

JOINT POST MORTEM

Domei

SHANGHAI, Aug. 10.—A Sino-Japanese joint post mortem examination of the bodies of 2nd Lieut. Ohyama and 1st Class Seaman Saito, who were slain by Chinese, was conducted at the hospital of the naval landing corps this morning at 10 o'clock in the presence of a physician sent by the Municipal Council and Chang Ting-ying, chief secretary of the Municipal Council. The post mortem was concluded at 10.40, and the Chinese signed the post mortem report.

According to a staff officer of the naval landing corps, who was present at the post mortem, the two victims were mortally wounded about the face. They were also shot in more than a dozen places all over their bodies.

The skull of Lieut. Ohyama was almost broken in two and it has been ascertained that the injury was inflicted after his death.

IN OFFICIAL CAR

From our Staff Correspondent

SHANGHAI, Aug. 10.—The most noteworthy points in connection with the outrage on the Japanese naval officer and seaman are that the crime was committed against an official naval motor-car, bearing an Anchor mark, and S.D.F. signifying a special vigilance corps, the Chinese mob unlawfully occupied Monument Road on the extension of the International Settlement, the officer and the seaman were brutally murdered by the Chinese with rifles, machine-guns, and pistols, and furthermore the mob subjected the bodies of the victims to endless insults, mutilating them beyond recognition.

The above reports contain rather depressing perversions of the facts—depressing because some of us still had a little faith in public morality. Reports in other papers, as well as portion of the above report, stated that the Municipal Authorities refused to have anything to do with the investigation. The third report above says that it was conducted by the Japanese and the Municipal Council, who called in the Chinese. Actually the investigation was proposed by Mayor Yui, and was conducted by the Japanese naval authorities and the Chinese military and civil authorities. The investigation was never concluded, as Yui and Okamoto, the Japanese Consul, were still waiting for reports when the Japanese took action. The reports of numerous wounds were described by an independent report as exaggerated. Mutilation was denied by all independent persons. The refusal to recognize the post-mortem report presented by the Japanese was because it was untrue. Nothing is said about the Chinese producing the pistol of one of the dead men, though it was also not stated in Japan that Ohyama was unarmed. Almost every statement in the above reports conflicts with the reports in the Shanghai British and American papers. There is no reason why the reports in the British and American press of Shanghai, from which every fact in Chapter II, as well as in Chapter I, may be corroborated, should issue false reports of the incident.

Finally, the whole state of mind of the Japanese may be gathered from the following editorial, which appeared jointly on August 11 in both the *Osaka Mainichi* and the *Tokyo Nichi Nichi*: "The Chinese troops," says the editorial, "openly insulted our Naval Landing Corps. . . . To surround a Japanese uniformed naval officer and a seaman and to murder them can never be construed as misunderstanding from any conceivable angle. Clearly it is an open insult and a challenge against our armed forces. The guilt of the Chinese is so ridiculously plain that we do not see wherein we need a joint investigation of the case or to gather evidence. Is not the murder itself all the evidence needed? . . .

"We know that Nanking's anti-Japanese policy is at the root of it. . . . We have often pointed out that the anti-Japanese attitude of the Nanking government

is responsible for the occurrence of such regrettable incidents. The greatest question confronting Japan now is the complete eradication of the basic causes of such incidents. A mere regional settlement of such an incident is not sufficient. Although it would be desirable to settle such an incident through diplomatic channels, we know very well that under the present circumstances it would be futile to attempt to do so. Japan has repeatedly tried to do so in the past, but the lack of sincerity on the part of the Nanking government has only made matters worse."

Is it to be wondered at that the Japanese sent their warships and troops to Shanghai and took drastic action?

APPENDIX III

OPINION IN JAPAN ON THE NORTH CHINA CRISIS

*as reflected by the statements of cabinet ministers and official
spokesmen, and the press.*

(Supplementary to Chapter X)

Preparing Public Opinion

Faced by one of the gravest crises in Japan's recent history, the Tokyo Government, July 12, decided to mobilize public opinion to the support of any course it may be obliged to follow, a *Domei* message from Tokyo said. Through the medium of the radio, the press and the rostrum, high Government officials addressed the nation on the nature of the present Sino-Japanese controversy, the current situation in China and Japan's position in the Far East. Akira Kazami, Secretary General of the Cabinet, is in charge of the campaign.

The complex machinery of the Japanese Government was in high gear prepared to meet any emergency, *Domei* added. The Miyakezaka area, where are located the Ministries of War, Navy and Foreign Affairs, and the Army General Staff, hummed with feverish activity. The tension radiated to all other branches of the Government.

General Gen Sugiyama, Minister of War, hastened to the Ministry of War where he called a conference of bureau chiefs. Most of the latter slept in camp beds in their offices. The discussions lasted until noon.

With instructions to various prefectural police

bureaus the Home Ministry took precautions against possibilities of a threat to internal peace.

The Ministry of Education prepared to admonish students to range themselves firmly behind the Government.

Entrusted with the task of transporting troops the Ministry of Railways drew up plans for an eventual nation-wide mobilization.

Preparations to enlist convicts in the manufacture of munitions were being made by the Ministry of Justice, while the Ministry of Agriculture and Forestry strengthened its control over staple products.

Parliament

"Things have come to such a pass in North China that a fundamental solution of the issue possibly must be sought through armed force," Gen. Gen Sugiyama, War Minister, told the Lower House in Tokyo, July 31. Up to now, he added, the Japanese troops in North China "have been endeavouring to effect a peaceful settlement on the spot with patience and self-restraint."

The supplementary budgetary bill, calling for the appropriation of Yen 96,700,000 for expenditures connected with the North China incident, and approved by the Diet the previous day, "was compiled under a policy of settlement on the spot and non-aggravation," Gen. Sugiyama declared.

In view of the recent "sudden" change in the North China situation, he added, "another supplementary budgetary bill in the sum of Yen 300,000,000 (later increased to Yen 408,300,000) will be introduced in the Diet to cover the necessary expenditures."

Foreign Minister Koki Hirota declared that Japan's policy of "settlement on the spot and non-aggravation cannot possibly work smoothly unless China reconsiders her stand.

"In such an eventuality," he added, "the Government is prepared to pursue a different policy."

In the extraordinary session of the Diet, just closed, the House of Peers did not pass any resolution regarding the North China affair, as the other House did, but

Viscount Tōshisada Maeda (Kenkyūkai), in the course of his speech in support of the Supplementary Budget in the House on Saturday afternoon, expressed the same sentiment as was expressed in the Lower House's resolution, and it was enthusiastically cheered by the whole House.

Viscount Maeda said that it is very important for the establishment of Far Eastern peace that Japan and China should co-operate closely, and that the Japanese Government has always pursued the end in view. It is really very regrettable, he said, that due to China's unreasonable and arrogant attitude, the present situation has been precipitated. In order to establish permanent peace in the Far East, Japan must adopt a resolute attitude in ridding China of hostility and contempt for Japan and in opening China's eyes to the folly of her present attitude towards this country. Viscount Maeda declared that it is up to the Japanese nation to be solidly and unitedly behind the Imperial Army so that the above-mentioned aims may be attained successfully.—*Japan Chronicle*, August 10, 1937.

JAPAN SEEKS "STABILITY IN FAR EAST"

Reviewing Japan's foreign relations, which he described as "fraught with difficulties and problems," Foreign Minister Kōki Hirota told the extraordinary session of the Diet at Tokyo, July 27, that the settlement of the North China Incident "depends entirely" upon what course China will choose to follow. "There exists," he admitted, "a danger of an untoward outbreak at any moment."

In view of this situation, Mr. Hirota emphasized, the Tokyo Government is prepared to use "all available means consonant with the development of the situation" to protect Japanese nationals in China.

Japan's policy in East Asia, the Foreign Minister declared, is "directed solely towards a realization of stability in East Asia, through conciliation and co-operation between Japan, Manchukuo and China, and by stopping the Communist invasion of the Orient."

Regarding the Lukouchiao incident, Mr. Hirota asserted, the Japanese Government had maintained "a policy of seeking a settlement on the spot and a non-aggravation of the situation."

"Accordingly," the Foreign Minister continued, "the Government has been doing its best to effect a peaceful solution on the spot, and, at the same time, induce the Nanking Government to take proper steps for an early settlement of the question."

"It is my earnest hope that a prompt reconsideration on the part of the Chinese authorities will lead to a faithful execution of the terms of the settlement arrived at on the night of July 11," Mr. Hirota stated.

"In surveying the conditions in present-day China," he went on, "our Government cannot but profoundly regret to note that the anti-Japanese sentiments have been encouraged and systematically exploited for unifying public opinion and arousing nationalistic consciousness and that untoward incidents, evidently resulting therefrom, are taking place in various quarters in China."

Turning to Japan's relations with Soviet Russia, Mr. Hirota said that the Japanese Government was "deeply concerned over the state of things on the Manchukuo-Soviet frontier which gives rise to frequent frictions."

If the Central Government's troops "dare to menace" the Tientsin-Peiping area, Japan may possibly be compelled to abandon the policy of non-aggravation of the North China incident which she is still pursuing, Gen. Gen Sugiyama, War Minister, told the Diet, Aug. 6.

Cabinet Ministers, Army Spokesmen and Others

"Japan's patience is nearing a point when she will have to chastise China for the latter's insincerity and injustice," Gen. Gen Sugiyama, War Minister, told the press in Tokyo, Aug. 9.

Assurances for the respect of foreign interests in

North China, as well as for the safety of foreign lives and property, were made in a statement issued by the Japanese garrison headquarters in Tientsin, July 28, announcing the start of "punitive operations" against Chinese forces.

"The enemies of the Japanese Army are the Chinese soldiery who engaged in anti-Japanese provocation and not the 100,000,000 people of Hopei," the statement declared.

This announcement was supplemented by a proclamation signed by Lieut.-Gen. Kiyoshi Katsuki, Commander-in-Chief of the Japanese forces in North China. Copies of this document were posted throughout the city, while handbills containing it were scattered from airplanes.

The statement among other things said: "It goes without saying that, recognizing the rights and interests of foreign nations in China, we will try our best to accord adequate protection to the lives and property of the foreign nationals and lastly, but not the least important, we take this opportunity of affirming that we entertain *absolutely no territorial designs on North China* even if we take necessary military actions for the punishment of recalcitrant Chinese troops. . . . China has committed a serious and unpardonable breach of faith in pushing northward a formidable number of Central Army troops, in utter violation of the Ho-Umetzu agreement and in speedily perfecting her preparations for action against the Japanese troops.

Japanese troops in North China are now obliged to take measures necessary for the unhindered discharge of their duties and to ensure a full observance of Sino-Japanese local agreements, a spokesman of the Japanese Government said in Tokyo, July 27, following an emergency meeting of the Cabinet in the Diet building. "What Japan wants," the spokesman declared, "is eradication of the causes of the series of recent untoward incidents. Therefore, Japan has no intention to antagonize the law-abiding Chinese people, nor has Japan any territorial designs.

"The Japanese Government," he went on, "will spare no efforts to safeguard the vested rights and interests of foreign powers in North China.

"Things have come to a sorry pass but the Japanese Government, which deems the maintenance of peace in East Asia as its mission, is as earnestly desirous as ever of reaching an amicable settlement speedily, through a reconsideration of her stand by China and a localization of the incident to the minimum."

An address delivered by Lieutenant General Kiyoshi Katsuki, Commander-in-Chief of the Japanese troops in North China, broadcast to Japan on August 3, gave a good idea of the opinion of the Japanese military leaders regarding Chinese commanders in North China. Gen. Katsuki declared, "The Japanese Army is composed of men who are honest and truthful to almost a foolish degree. Therefore when General Sung Cheh-yuan, commander of the Chinese troops, came to us and apologized for what had happened, and in addition when General Chang Tzu-chung (then Mayor of Tientsin) said he would do everything to satisfy us, we thought in the innocence of our hearts that the Chinese had a considerable degree of sincerity and that at least 70 per cent. or 80 per cent. of their promises would be kept, even if 100 per cent. observance might be too much to expect of them. But they were all deliberate lies to deceive us. In some mysterious fashion the orders of Chinese Army commanders, divisional commanders, etc., disappeared on their way down the military system and actually orders are received transversely. Thus the 29th Army is even worse than a band of bandits, which at least acts in accordance with the orders of its chief. The Japanese Army bore everything with the utmost patience until the very last in dealing with such an army, but the occurrences at Langfang and Kwanganmen exhausted our patience and made it necessary for us to act in order to uphold the honour of the Japanese Army. We have been patient and cautious to the verge of absurdity, but the general tendency of opinion in China and the situation

in North China brought home to us the impossibility of a peaceful settlement and the utter need of armed action to maintain our prestige." General Katsuki in concluding his address appealed for support in Japan for activities in North China and in particular warned the Japanese to guard against "disturbances of the rear through communistic and bolshevistic activities, which were likely to confuse the minds of the people with an insidious force, even more deadly than actual warfare."

The Foreign Office issued a statement in Tokyo last week declaring "with regret" that "on account of the increasingly hostile attitude of the Chinese Twenty-Ninth Army, the Japanese forces in North China had been finally forced to abandon all hope for a peaceful settlement of the incident." "Conditions in the Peiping-Tientsin area," the statement continued, "had become so menacing to the lives and property of Japanese nationals, as well as to the comparatively small Japanese force garrisoned in the city, that it had become necessary to engage in operations with a view to impressing the Chinese soldiers with the urgent necessity of keeping pledges and agreements which they have themselves made, but failed to observe."

The Press (From the China Weekly Review)

It was announced on July 23, according to an article in the *Yomiuri Shimbun*, that the Japanese Government had finally decided to make a "great" change in its China policy with the present situation in North China as the turning point. As a result of extended conferences between the Japanese military authorities and diplomatic officials in China, it was decided that the North China incident was but one expression of a general anti-Japanese campaign of the Nanking Government. Therefore unless fundamental cause was removed, such incidents would crop up one after another in future. It was, therefore, believed that the important time had arrived for Japan to change the fundamental attitude of the Japanese Government toward the Nanking Government. Prince Konoye and Government military leaders were giving careful consideration to the rebuild-

ing of Japan's China policy on the basis of views of officials of Japan in China.

The *Nichi Nichi Shimbun* published on July 28 an article from its Shanghai correspondent, entitled, "Polished Claws Beneath the Mask—Chinese Have No Real Wish for Settlement." The dispatch, which undoubtedly did much to cause the Japanese to intensify their activities, said that "The adamant core of the National Government is making it impossible for the conclusion of an agreement on the spot. If the temporary respite (July 24) resulted from an awakening to the sincere intentions of the Japanese Government on the part of the Chinese, it might be considered a prelude to a peaceful settlement, but it could only be regarded as a manifestation of a selfish desire on the part of the Hopei-Chahar régime to avoid war and the crafty strategy of the Nanking Government at the same time. Unless, therefore, Japan guards itself a source of much evil may be left for the future. Looking back on the policies adopted by the Chinese Government with regard to its relations with Japan in North China, we are aware that while China evinced panic at the unexpectedly firm attitude of Japan, her response always may be summarized in a single term, 'insincerity.' The action of the Hopei-Chahar Council in signing the agreement did not come from any sincere wish to settle the situation in peace. Japan must, therefore, keep the situation under surveillance and guard against hostile Chinese forces seeking a chance for vengeance." In concluding his dispatch, the correspondent said that the National Government had displayed "much ugliness transcending diplomatic common sense." Even in the face of diplomatic expediency, the determination of the Nanking Government has not weakened its preparations for open hostilities with Japan and has not yielded an inch on its attitude toward North China.

The *Asahi* published a dispatch from Nanking on July 29 stating that Dr. Wang Chung-hui, Foreign Minister, and Hsu Mo, Vice-minister as well as other Chinese diplomats were calling on the ambassadors of

the various Powers "broadcasting exaggerated reports of the military action of the Japanese in North China and of the political ambitions of Japan in order to obtain the Powers' sympathy for China and to drag the Powers, which were concerned in the Boxer trouble of more than one-third of a century ago, into the present affair with an intervention proposal." The correspondent of the Tokyo paper stated, however, that the Counsellor of the Japanese Embassy, Shinrokuro Hidaka, had been offsetting the influence of the Nanking Foreign Office by also calling on the various ambassadors and ministers and clarifying the "fair and just attitude of the Japanese Government." As a result of Mr. Hidaka's activities, it was claimed that the foreign ambassadors and ministers "were taking care not to sink themselves too deeply into the affair and thus play into China's hands." The British and American ambassadors, according to the report, had requested Mr. Hidaka to advise his government not to engage in hostilities on the streets of Peiping and Tientsin and thus endanger the lives and properties of citizens of these two countries.

The *Osaka Jiji*, July 15, summed up the situation as follows: "Now it has become clear that a peaceful settlement is impossible. The Government thinks it absolutely necessary to enforce Japan's just claims by an appeal to armed force."

The Tokyo *Nichi-Nichi*, one of Japan's leading dailies, July 17, predicted that the Japanese Government would soon make "a final gesture" for a peaceful settlement of the situation in North China. The Japanese overture, the newspaper continued, would be based on the principle of the "localization and non-aggravation" of the incident.

The *Nichi-Nichi* incidentally declared in its editorial columns that the time was already past "for questioning China's sincerity which has failed to pass the test in the last 10 years.

"China is playing for time," the paper asserted. "Therefore, there is no alternative left for Japan but

to take a prompt and decisive measure in either way so as to establish peace in the Far East."

The *Asahi* published another dispatch from Tientsin on August 2, referring to political trends in North China. The dispatch said that the Japanese Army leaders regarded the military phase in North China as practically completed, and hence were paying special attention to the political elements. "It was discovered that the two political régimes which arose in North China after the conclusion of the Tangku Truce (1933), that is the Huang Fu régime and the Hopei-Chahar régime, were mere branches of the Nanking Government. This was the chief factor behind the present incident, hence the Japanese Army is now trying to "welcome" a new régime that will be wholly disconnected with the present Nanking Government and yet contain elements which will have the confidence of the North China masses. The Japanese Army leaders are convinced that if another régime is formed in the North, which was affiliated with Nanking, that Japan's precious sacrifices will again have come to naught and the present incidents would be repeated again in the future. Despite these intentions, however, the Japanese Army has not the slightest territorial ambition and does not even dream of resorting to forcible measures for the formation of a new North China régime.

From the Japan Chronicle

It is all very well for the Foreign Minister to declare that the best way to establish Far Eastern peace is to clear East Asia of Communism by bringing China into the Japan-German Anti-Comintern Agreement, but his ideal stands no chance of realization in the existing situation. In spite of his fine professions, Sino-Japanese relations are fast approaching a real crisis. It may, however, be wrong to say that there is now absolutely no room left for diplomatic negotiation. In diplomatic relations there is always room left for further diplomatic efforts to improve the situation. The *Chugai Shogyo*, as quoted in *Japan Chronicle*, August 8, 1937.

CO-OPERATE, OR ELSE—

The *Miyoko* says that it is significant that Mr. Hirota is seeking to adjust Sino-Japanese relations on the basis of joint defence against Communism by bringing China into the Japan-German Agreement. It wonders how this Ministerial statement in the Diet will be received by Nanking. In the negotiations held in the past, the Nanking Government indicated that though China had no intention of joining the Japan-German Agreement, she would pursue her own course of defence against Communism. If the Chinese authorities recognize the necessity of defending their country from the invasion of Communism, there is no reason why they should refuse to join the Anti-Comintern Agreement between Japan and Germany. Mr. Hirota has made clear his China policy, and if China still refuses to lend an ear to his exhortations and ventures on a hazardous course of fighting Japan, she will have to take the serious consequences of its policy. The victorious Japan would impose exacting penal conditions on the vanquished China, for the victor has the "right" to do this, and it is for the vanquished to abide by these conditions. The *Miyoko* hopes that Nanking will quickly realize the situation and change its present policy into that of sincere co-operation with Japan.—As quoted in the *Japan Chronicle*, August 8, 1937.

From Shanghai Japanese Press

"So long as the objective of the Japanese forces lies in chastising local anti-Japanese elements and the purpose of the Nanking Government is limited to a defence of local territorial sovereignty, war would end in a brief time," the daily stated. "But a Sino-Japanese war possesses the dangerous possibility of turning into a national emancipation movement on the part of the Chinese."—*Shanghai Mainichi*, July 23.

Points from the Osaka Mainichi and the Tokyo Nichi-Nichi, August 11

"Anxious about the future of Japanese interests in the Yangtse Valley, which are the fruit of their long

struggle, the Japanese evacuated Nanking yesterday with the burning determination to chastise the Chinese people."

"The Chinese of Peiping welcomed Japanese troops as their guardians. Citizens in large numbers filled the streets and gazed on the marching Japanese soldiers, many of them even providing tea for them. . . . A Japanese warrant officer was seen going about the streets in a ricksha with a Chinese boy of 5 carrying a Rising Sun flag. Chinese dealers are especially glad because Japanese troops are paying for everything they get, even water-melons. . . . Chinese farmers in the suburbs of Peiping are conveying provisions to the city in safety and they also are most glad of the entry of the Japanese troops."

From a column of the newspapers' "Points of View"
(August 11)

(These "Points of View" are a kind of editorial comment, and are taken from the English edition of the newspaper.)

"The only thing well organized about China is her anti-Japanese movement."

"China may be united but Japan is solid—and not on the upper story either."

"We know the answer to 'What is China?' but we are too considerate of her to tell the truth."

Foreign Countries' Attitude

The *Tokyo Yomiuri*, July 15, said that according to information reaching Tokyo official circles, the attitude of the Powers towards Japan in connection with the North China Incident has not shown any conspicuous trend except in the U.S.S.R., which is indulging in abuse of Japan.

On the other hand (according to the *Yomiuri*) Great Britain, Germany and Italy had recognized the fault of China as leading to the present incident, and are showing a favourable attitude towards Japan.

Attitude towards Conquered Chinese in North China

Handbills were distributed by Japanese planes in the Tientsin area, July 28, stating that the "punitive action of the Japanese army is a mission from Providence" and urging the Chinese populace to be friendly to Japan and to refuse to help the Chinese forces.

Enlightening the Population on the Lukouchiao incident of July 7—Japan Weekly Chronicle, August 5, 1937.

"In view of the fact that there is still much uncertainty as to the future developments of the North China situation, the Government has decided to withhold the publication of an official statement regarding the affair, which it was its original intention to make public shortly."

APPENDIX IV

OFFICIAL STATEMENT BY CHINESE GOVERNMENT

(Supplementary to Chapter X)

THE following statement was issued by the Chinese Foreign Office on August 15, 1937, after hostilities in North China had been raging for over a month and hostilities in Shanghai commenced on a large scale. The statement is published in full, because it covers much of the ground covered in this book, and it is a general résumé of the Sino-Japanese relationship since 1931.

"During the recent years the Chinese Government and people have devoted their united efforts to the building of a modern China capable of realizing her ardent aspirations for achieving a status of independence and equality in the family of nations.

"Internally, China's efforts have been directed towards economic and cultural rehabilitation, while externally she has upheld the principles of peace and justice. Believing in the harmony of her aspirations for national independence and co-existence with other nations, she has scrupulously observed all international treaties to which she is a signatory, such as the Covenant of the League of Nations, the Nine Power Treaty and the Paris Peace Pact.

"Unfortunately, since September 18, 1931, Japan has seized from China the four North-Eastern provinces and plunged the important port of Shanghai into a devastating conflict. Launching further attacks from Jehol she indulged in indiscriminate killing and extensive incendiarism along the Great Wall. She has set up and is in full control of the puppet régime in East Hopei. She

has caused bandits and irregulars to disturb peace and order in north Chahar.

AERIAL SOVEREIGNTY

"In addition to such grave assaults upon China's territorial integrity she has further violated our aerial sovereignty by causing her military and other aeroplanes to make innumerable flights over different parts of China. She has acquiesced and lent support to organized smuggling by her nationals on an unprecedented scale, causing enormous loss to China's national revenue as well as to legitimate trade of other countries. Nor did she hesitate to stoop to such unscrupulous practices as the encouragement of illicit drug traffic and the supply of arms to bandits and robbers. She has magnified and made use of all kinds of incidents, real or imaginary, by presenting preposterous demands upon China and also using them as pretexts for taking unilateral action.

"Although none of these aggressions could be tolerated by any nation in the world without endangering its independence and existence, China has time and again endured the intolerable, hoping all the while that Japan might realize her mistake. But even this last ray of hope has been shattered by the incident which Japan created at Lukouchiao.

LUKOUCHIAO AFFRAY

"The outbreak of the Lukouchiao incident must be fundamentally attributed to the excessive increase of the Japanese garrison at Tientsin and the frequent manoeuvres unlawfully held at places not permitted under the Treaty of 1901. Such actions were sufficient to cause the outbreak of incidents almost at any moment in the area involved.

"Late on the night of July 7, the Japanese troops chose again to hold such unlawful manoeuvres at Lukouchiao which is situated in the neighbourhood of Peiping and followed it up with a sudden attack upon the city of Wanping. The Chinese Garrison there was constrained to take defensive measures and the subsequent

hostilities resulted in the destruction of thousands of Chinese lives and immense property by Japanese gunfire. All these facts are now well known to the world.

"The actions on the part of the Japanese after the outbreak of the Lukouchiao incident are further worthy of note. While repeatedly giving assurances that the Japanese Government did not desire to aggravate the situation, large numbers of additional troops with several squadrons of aeroplanes, tanks and other kinds of ultra-modern implements of war poured into Hopei province from Manchuria, Korea and Japan Proper. Such acts of systematic armed aggression cannot be obscured by mere verbal professions.

SETTLEMENT SOUGHT

"Anxious to seek a peaceful settlement the Chinese authorities in a most conciliatory spirit entered into discussions with the Japanese with a view to averting the imminent danger of a catastrophe. On July 12 the Chinese Minister of Foreign Affairs suggested to the Counsellor of the Japanese Embassy the immediate cessation of military movements on both sides but received no response from the Japanese Government.

"On July 19 the Chinese Government formally renewed its proposal in writing for the simultaneous cessation of troop movements and mutual withdrawal of troops to their respective original positions on a date to be agreed upon by both sides. It was also unequivocally stated that for the settlement of the unfortunate affair, the Chinese Government was prepared to accept any pacific means recognized by International Law and treaties such as direct negotiations, good offices, mediation or arbitration. Unfortunately, all these *démarches* failed to elicit any response from Japan.

"Meanwhile the Chinese local authorities, actuated by the desire to maintain peace, had accepted certain terms of a settlement proposed by the Japanese to which the Chinese Government, with the greatest forbearance, did not raise objection. But no sooner had such a settlement been effected than the Japanese troops, without any

pretext, directed further attacks on the Chinese positions at Lukouchiao, Langfang and other places.

"An ultimatum was delivered on July 26, demanding among other things the withdrawal of the Chinese troops from Peiping which was entirely outside the terms of the settlement already reached. Such demands being absolutely impossible of acceptance, the Japanese troops without even waiting for a reply before the expiration of the time limit set in the ultimatum, started a fierce offensive against Peiping and Tientsin, centres of Chinese culture and international trade respectively in North China. Chinese troops stationed in the environs of Nanyuan suffered tremendous casualties as the result of sudden attacks by Japanese bombing aeroplanes and tanks.

TIENTSIN ASSAULT

"In the course of a bloody assault on Tientsin an immense number of Chinese and civilians were mercilessly killed or injured, while public buildings, shops, dwelling houses, and educational and cultural institutions were deliberately destroyed by artillery and aerial bombardment. After having committed these atrocities the Japanese forces are now advancing toward southern Hopei and carrying the war scourge into Chahar with fierce attacks on Nankow. Thus the Japanese have been consistently provoking hostilities and extending their war operations while at the same time making magnificent professions of their desire to effect a local settlement and to avoid further aggravation of the situation.

"While hostilities were raging in North China, the Chinese Government, solicitous of the immense commercial and other interests both foreign and Chinese concentrated in the important metropolis of Shanghai, repeatedly ordered the municipal authorities of Greater Shanghai and the Peace Preservation Corps there to take special precautions against the occurrence of any untoward incident. In the evening of August 9, however, a Japanese officer, accompanied by a seaman, attempted to force an entry into the Chinese military aerodrome at Hungjao, regardless of Chinese warnings, and thus precipitated an

incident resulting in the death of the two Japanese and a Chinese sentry belonging to the Peace Preservation Corps.

SHANGHAI SITUATION

"The Chinese municipal authorities proposed that an equitable settlement be sought through diplomatic channels but the Japanese Government has dispatched to Shanghai a large number of warships and additional armed forces and at the same time presented various demands calculated to undermine or reduce Chinese strength for self-defence. Japanese aeroplanes have flown over Shanghai, Hangchow, Ningpo and other cities near the Kiangsu and Chekiang coast, undoubtedly with a view to commencing military operations. On the 13th instant, Japanese armed forces launched vigorous attacks on the Chinese Civic Centre at Shanghai. Such action, together with the dispatch of immense numbers of Japanese troops into Hopei after the outbreak of the Lukouchiao incident, clearly shows that Japan is bent on executing her traditional policy of continental expansion and conquest.

"Using the Shanghai Armistice Agreement of May 5, 1932, as a pretext, Japan has sought to prevent China from taking legitimate measures of self-defence during the present acute emergency. It must be borne in mind that the aim and spirit of the Agreement were to ensure that within a specified area, both parties would exercise self-restraint and moderation in order to avoid any armed clash prejudicial to the progress of peaceful negotiations. If one party after having violated its undertakings by advancing troops at its own will attempted to impose on the other party restrictions of such a nature as to render it completely powerless against aggression, such an attempt was indeed based on a perversion of the Agreement which could not be justified either legally or morally.

NANKING'S STAND

"The Chinese Government now solemnly declares that China's territorial integrity and sovereign rights have been wantonly violated by Japan in glaring violation of such peace instruments as the Covenant of the League of Nations, the Nine Power Treaty and Paris Peace Pact.

China is in duty bound to defend her territory and her national existence as well as the sanctity of the above-mentioned treaties. We will never surrender any part of our territory. When confronted with aggression we cannot but exercise our natural right of self-defence. If Japan did not entertain territorial designs on China she should use her efforts to seek a rational solution of Sino-Japanese problems and at the same time cease all her armed aggression and military movements in China. In the event of such a happy change of heart China would, in conformity with her traditional policy of peace, continue her efforts to avert a situation pregnant with dangerous possibilities both for East Asia and for the world at large.

“In this our supreme fight not only for a national but for a world cause, not only for the preservation of our own territory and sovereignty but for the maintenance of international justice, we are confident that all friendly nations while showing sympathy with us will be conscious of their obligations under the international treaties to which they have solemnly subscribed.”

APPENDIX V

ECONOMIC, INDUSTRIAL AND FINANCIAL POSITION IN JAPAN

(Supplementary to Chapters XIII and XIV)

1. *Economic.*

Japan has an acute shortage of iron ore. In 1936 her pig-iron production (including Manchuria) reached the record figure of $2\frac{1}{2}$ million tons; yet she had to import $3\frac{1}{2}$ million tons. In addition, she had to import $2\frac{1}{2}$ million tons of foreign scrap iron. So serious became the shortage of steel in Japan at the end of 1936 and the beginning of 1937 that the construction of many reinforced concrete buildings in Tokyo (actually in course of erection) had to be held up. The stability of an industrial steel-manufacturing country depends upon its iron resources. Japan produces about one-tenth of the iron production of the British Empire, one-twenty-fifth of France's. Her reserves of iron ore are about equal to what is actually mined in the United States in a depression year.

Pacific Ocean countries which have an iron production greater than Japan's are Australia, India (three times as much), and the Malay States. Russia's output is five times as much. China has fair deposits of iron, the amount unknown, but not very great. Indian reserves are very great. There is iron in the Philippines and the Dutch East Indies.

Next in importance to iron comes coal. The estimated coal reserves (in millions of metric tons) of the various countries are:

Japan and Manchukuo.....	12,661
Britain.....	189,533
China.....	992,185

India.....	78,000
Indo-China.....	20,000
Australia.....	163,253
U.S.A.....	3,822,364
U.S.S.R.....	1,200,000

The poverty of Japan in respect of coal is thus seen to be very serious. Can oil make up for this deficiency? She has brought her production of crude oil up to 15 million gallons a month, but she is importing 88 million gallons a month. She has reserves to last her six months, in war time three months. The Dutch East Indies and Borneo are the great oil-producing areas of the Far East, in easy reach of Japan.

Japan has hardly any metals apart from iron, and copper which supplies 20 per cent of her peace requirements; no rubber; no wool to speak of; little cotton.

Japan's foreign trade is not only in a very serious position but its basis is really dangerous for her. Since 1929 she has had adverse trade balances as follows:

	Yen
1929.....	-68 millions.
1930.....	-76 „
1931.....	-89 „
1932.....	-21 „
1933.....	-56 „
1934.....	-110 „
1935.....	00 (almost equal).
1936.....	-600 millions roughly.
1937.....	-700 „ (Jan. June 30).

[Exchange rate: yen=1/2d.]

(As cost of living in Japan is normally in British money half that in England, these figures are enormous.)

Allowing for excessive imports of war materials, the trading position is precarious.

Japan's revenue, even after severe increase in taxation,

cannot meet her normal expenditure. The following budget figures are instructive:

Year	(Millions of Yen)		Deficit
	Revenue	Expenditure	
1934-5	1,249	2,214	881
1935-6	1,335	2,193	771
1936-7	1,515	2,272	680
1937-8 (estimate)	2,370	2,280 (normal) 2,500 (China war expenditure passed by Diet up to Sept. 7.)	

As the China War will probably last into 1938, the deficit for this year will be staggering.

The National Debt at the beginning of 1936 was 10,000 million yen, equalling the annual national income, and already requiring $\frac{1}{3}$ of a normal budget to meet interest charges (if interest charges were paid out of revenue, but interest charges are not being met by further bond issues). If the China War lasts a year, the national debt will treble itself, and after the war the whole of the normal national revenue will have to go towards interest and normal peace-time army and navy maintenance, leaving not a penny for ordinary services.

So heavy has taxation been in the last few years that there was serious discontent in Japan, for the Japanese people have not the taxable capacity of countries like Britain. The per capita income of Japan is about $\frac{1}{3}$ that of Britain. The average annual income of each Japanese is about 160 yen (1930 figure), of each person in Britain about £50 (1913 figure). But the Japanese income is the most uneven in the world. It is not spread to even an infinitesimal proportion of the population as it is in countries like Britain and the United States. There is no investing public. Nearly all the capital of the country is in the hands of two or three groups of families. The trading class is almost bankrupt, the agricultural classes on the point of starvation, and the industrial workers in distress. The ominousness of industrial unrest and the nervousness

of the alternative of war may be gathered from the two quotations from newspapers appended in (ii) and (iii). Japan was in a dilemma on account of the internal situation, and the alternative of war was brought on by the militarists, not only immediately but by the policy of the last few years. If all the money which has been spent by Japan during the last 20 years on her army and her navy and her wars had been used internally, what a difference it would have made! Japan has never been threatened by external aggression. She had everything to gain from peace, especially the Chinese market. Modern war has become too expensive for Capitalism, too dangerous for Socialism.

In view of the internal situation, the Japanese War Office decided to control the nation's economic destinies and put Japan on a semi-war basis in times of peace. In November, 1936, the War Office issued a pamphlet calling for extreme sacrifices on the part of the people. "The situation is growing more and more in such a direction," the pamphlet set out, "that, unless egoistic and individualistic institutions and liberal politics and administration are overhauled and the political orientation of the nation fundamentally changed, there can be no hope for advance of the national fortunes, prosperity and the happiness of the people. From the standpoint of national defence, administrative renovation is needed to rebuild the state on the basis of the Japanese spirit and in accordance with the requirements of modern armaments, permitting the establishment and the rational operation of a totalitarian system. In this sense, a state reorganized on a totalitarian basis has latent power in time of peace which would prove a decisive factor in an emergency. Thus administrative renovation, which is national defence in the broad sense, and adequacy in armaments form an inseparable unity. It is necessary that the people resolve to effect both, regardless of sacrifice."

The danger in the lopsidedness of Japan's international trade may be seen from the fact that the British Empire takes over 30 per cent. of Japan's exports, the United States over 20 per cent. (90 per cent. of this is silk which is not a necessity), and countries in South America, which would take a lead from the United States, half of the balance.

There is nothing that Japan supplies to the British Empire which Britain herself cannot supply. If a stiff tariff were placed by the United States and the governments of the British Commonwealth on Japanese goods, Japan would speedily find herself deprived of sufficient exchange value to buy even peace-time requirements of oil, steel and coal; unless, of course, anyone is foolish enough to give her long-term credits. Japan is in a very different position from Italy as far as sanctions are concerned. Japan cannot grow enough food for her own requirements; she requires a much larger army in China than Italy required in Africa; she will meet with much more opposition than Italy met with; and she is essentially an exporting manufacturing country without any raw materials to speak of. Italy was not essentially an exporting manufacturing country. A few months' sanctions against Japan will not only close down all her factories, but deprive the peasants of that little bit extra they get from their manufacturing work. She also depends a great deal on her maritime carrying trade, and sanctions would injure this trade enormously. The whole position should be studied in Miss Utley's *Japan's Feet of Clay*.

2. *Industrial Unrest.*

Japan Weekly Chronicle, August 5, 1937.

WARNING AGAINST STRIKES

"In view of the emergency confronting the nation, the Metropolitan Police Board have warned the various associations throughout the country to refrain from fomenting any strikes.

"The warning was issued several days ago to the Nippon Musanto, the Shakai Taishuto and various other labour unions in the country, and simultaneously the Board authorities also warned them against holding meetings to discuss the situation or the question of higher wages.

"A similar warning to all prefectural authorities was likewise issued recently by the Police Affairs Bureau of the Home Office.

"As a result of these warnings, it is stated that labour strikes, which had been increasing at an alarming rate until the outbreak of the North China affair, have almost disappeared."

3. *The Internal Financial Situation and Financial Uneasiness.*

"There was some doubt at the turn of the year whether industry and the bankers were prepared to acquiesce in some of the financial measures the Government was believed to be contemplating. Certainly there was a good deal of uneasiness, and a general impression that whatever manipulations the Government might indulge in it would have to consider a definite limitation of further bond issues, and forego the thought of any more tax increases for at least the next two years. There is still no suggestion that taxes are going to be increased, but it cannot be doubted that the new wave of patriotism has produced a psychological stimulus favourable to new tax proposals if the Finance Department sees fit to make them.

"The actual Supplementary Budget for the China affair totals Y96,800,000, of which Y95,000,000 is to be raised by a new bond issue. Just over Y10,000,000 was defrayed some ten days ago out of the second reserve fund, and it was stated yesterday that another supplementary budget is in the course of compilation. No figures have been published, but the assumption is that a further substantial sum will have to be raised, and it is obvious that the Finance Department must soon begin to think of new sources of revenue. The mere fact that there is a crisis in China which calls for an unexpected and large expenditure does not alter the economic and financial facts which looked so alarming a few months ago. Investigation into the causes of soaring commodity prices revealed that to some extent prices in Japan have been affected by unbalanced budgets. Prices have risen currently with the rises in world markets, but there has also been an extra stimulus over and above that, and this domestic trend is now certain to be accelerated, probably with a check in the export trade to add to Japan's worries. Whatever happens in North China, exports to China as a whole will not reveal in the second half of the year the

welcome increase they displayed in the first six months. The blow may not be especially damaging, but almost any check is serious in view of the record adverse balance against which Japan now has to contend."—*Japan Chronicle*, July 31 (leading article).

FINANCIAL ASPECTS OF THE CRISIS

"The financial hazards of the new crisis in China have struck home more swiftly than in the case of the Manchurian affair. That is because Manchuria taught the military authorities and the Finance Department a lesson in finance and economics which they are still digesting. General Araki, after asking for the first ¥100,000,000 which began the current series of unbalanced budgets, offered the assurance that though there would be other extraordinary expenditures for a year or two the pacification of the new State would soon reduce military appropriations to normal. That was early in 1932, and instead of decreasing, the defence estimates have steadily continued to soar with the certainty now that the army regards from three to four times the expenditure of 1921-32 as the basis on which the Finance Department must work. How, in these circumstances, the Navy Ministry will meet British and American building programmes is a matter for speculation. So far the Ministry has not made any definite response, or at least it has not made its intentions public though there have been reports abroad that in replacing battleships now reaching the age-limit Japan will arm them with batteries which will call for an increase in present maximum tonnages and consequently a substantial increase in building costs. Not until next year, however, was it expected that there would be an accelerated pace in construction, and now the China affair has happened along to upset the calculations of both the Navy Ministry and the Finance Department. Within the first few days of the Lukowchiao shooting some ¥10,000,000 was defrayed out of the special reserve. Then came the actual Supplementary Budget with its ¥95,000,000 appropriation, all to be raised through a new bond issue, and now the Diet is about to discuss a second Supplementary Budget which

'will exceed Y300,000,000' of which Y100,000,000 will be furnished by an increase in all three classes of income tax, a special tax on bonds and dividend payments, and a new excise on cameras, musical instruments and gramophone records. In all, therefore, the Finance Ministry will provide not far short of Y450,000,000, of which rather more than two-thirds will be raised in bonds. It is a serious extra burden for a strained financial edifice to bear, perhaps more serious than is yet realized though there is certainly no disposition either in the Diet or outside it to minimize the gravity of the situation. If one could be sure that the two Supplementary Budgets represent the end of the new special expenditure then it would be possible to take an optimistic view, for even extra bond issues of from Y300,000,000 to Y350,000,000 are not likely to have any startling immediate effect on finance or economics. Naturally there will be a certain effect, principally on commodity prices, but it is the likelihood that this Y450,000,000 in taxes and bonds is only the first instalment that is really unsettling. It is impossible for the Government to keep on spending twice as much as its income, and it is also obviously impossible to raise present taxes much beyond their present rates or to create remunerative new ones. There is a point in all taxation past which increases cease to be productive.

The new increases, remarks Mr. Kaya (the Finance Minister) in a statement accompanying publication of the proposals, are for the current year only, and not of a permanent nature. Every care has been taken to avoid any additional burden on the masses. Pious hopes both of them, and both at the mercy of forces over which the Finance Minister has no control. How far Y450,000,000 will go towards paying the cost of the China affair is something nobody knows. The new taxation, to be imposed until March 1938, is levied on a twelve months' basis, and apparently the whole programme is drafted on the assumption that this expenditure will suffice for at least the remainder of the year. There will not, of course, be any detailed statement as to how the money is being spent. These details come into the realm of military secrets, and are not suited for the ears even of a closed session of the Diet. The sum budgeted

appears big enough, however, to cover operations in China even if hostilities spread until they involve a clash in the South of Hopeh with the Central Government forces. A war against China does not call for anything like the huge sums spent by the European Powers in 1914-1918. There is no possibility of a long stalemate with each side firing its wealth and resources away, nor, although the pacification of North China is certain to be a comparatively costly business compared with the Manchurian campaign, would it be correct to estimate expenditure even in the event of major hostilities on the scale say of the last big war Japan fought. The Russian war of fourteen months cost Japan approximately Y2,000,000,000. We have still to discover what the future holds in store, whether the Nanking Government is prepared to carry on what the 29th Army started or whether it will merely hold lines South of Hopeh and tacitly accept the rise of a new régime in North China over which it will have no control. Probably that is what will happen; there will be no major war and the Y450,000,000 which the Supplementary Budgets provide will be sufficient until the Diet meets for its first ordinary session. But as in the case of Manchuria, what now appears an extraordinary expenditure, the necessity for which will cease when North China accepts the changed condition of things, may subsequently prove a recurring item in the national defence bill. And this time the new responsibilities are being added to an already overburdened budget at a time when the export trade appears to have reached the peak of the boom years. From the beginning of 1932 to the end of last year the Finance Department issued Y4,547,000,000 in deficit covering bonds. Another Y1,000,000,000 for 1937-38, it was considered by both Dr. Baba and Mr. Yuki who drafted the current ordinary budget between them, was rather more than the financial world could stand. (Already twice that amount has been voted by the Diet before the war was 2 months old.—H. J. M.) In the end they managed to compile their estimates with the aid of only just over Y800,000,000 in bonds, and half a promise that this total would be reduced in the budget to follow. Instead the issue for the current fiscal year becomes

between ¥1,100,000,000 and ¥1,200,000,000, with an aggregate bond issue whose debt servicing will now cost the Finance Department approximately 35 sen of every yen raised in taxation. (100 Sen=1 Yen.)

That an admittedly grave crisis sees the Government able to raise only ¥100,000,000 more extra revenue is indication enough of the Finance Department's straits. But the chief problem the Department faces is absorption of the increasing bond issue. The banks have had to take over by far the greatest part of all issues. Banks and financial houses took up 77 per cent. of all bonds issued since 1932, and they held at the end of last year 77.1 per cent. of all national domestic loans in addition to ¥1,600,000,000 in local government loans, or 70.8 per cent. of the total. This year their purchases have fallen, leading to the baby bonds proposal in an effort to encourage investment by the ordinary public, and to a weakness in bond prices which has seen the Government buttressing the market with the aid of the Deposits Bureau's funds. The new patriotic fervour may persuade the public to invest for a time, and the banks will no doubt increase their buying, but this can only be at the cost of the new capitalization of industry, which is another of the Finance Department's chief concerns. And where is the money coming from for the economic enterprises which are held out as the fruit of a stable and newly organized North China? It is not merely of 1937-38 that the Finance Department has to think, of one lop-sided budget which sees the expenditure on Government purposes of approximately 20 per cent. of the nation's entire earnings, but a series of such budgets which seem bound to place the yen on a toboggan which will be disastrous to Japan's international trade."—*Japan Chronicle*, August 4, 1937.

Since the above was written the Diet has voted another 2,000 million yen, and this is only the beginning of the war! Japan relied on a speedy settlement of a "local issue." The local issue may be the spark which will light a mighty conflagration in Japan.

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